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LIVESTOCK AND MEAT Situation

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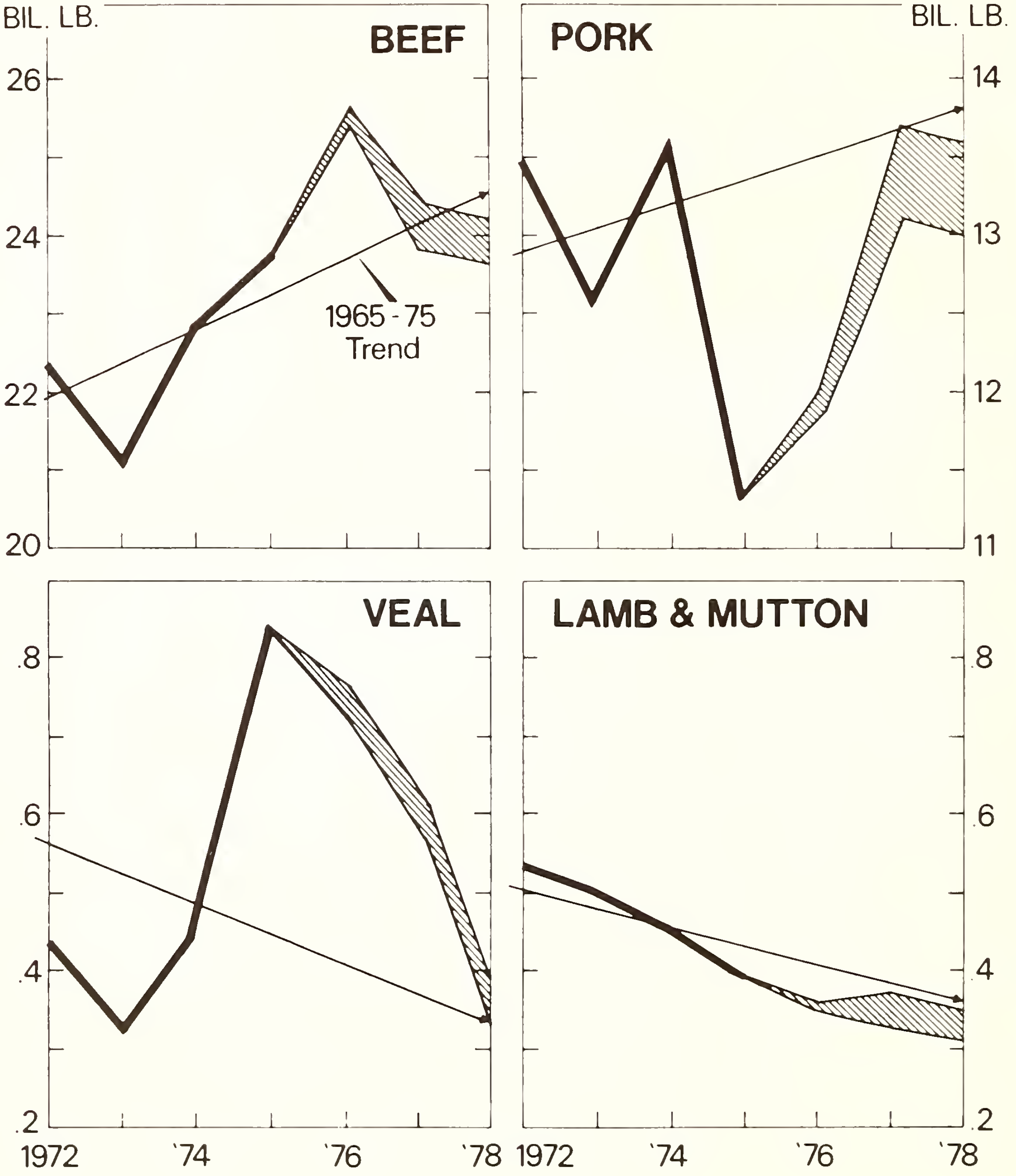
COMMERCIAL MEAT PRODUCTION



USDA ECONOMIC RESEARCH SERVICE

LIVESTOCK AND MEAT SITUATION

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Approved by
The Outlook and Situation Board
and Summary released
December 3, 1976

Written by
Eldon Ball
Richard Crom
Joseph Arata

Commodity Economics Division

Economic Research Service

U.S. Department of Agriculture
Washington, D.C. 20250

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The *Livestock and Meat Situation* is published in February, April, June, August, October and December.

SUMMARY

Commercial red meat production during October-December is expected to total above the summer supply and 9 percent larger than the fourth quarter last year. This would raise 1976's commercial red meat output 8 percent above 1975 and would set a new record. On a per capita basis, 1976's red meat consumption probably will exceed 192 pounds, up 11 pounds from last year and just above the 1971 record.

This fall, retail meat prices will average slightly less than summer levels and about 10 percent below a year ago. Retail prices for Choice beef have been on a downtrend for 16 months, declining about 17 percent from their July 1975 peak. In October, retail beef prices were about 13 percent below a year earlier, while pork prices were 20 percent lower.

Beef production this fall is expected to be about 6½ billion pounds, only slightly below the summer's record. However, Choice steer prices have strengthened to about $40 per 100 pounds; up from $35 in early October. Some seasonal decline in December output may maintain the strength in fed steer prices through yearend.

Feedlot placements this fall are running near to slightly below those of October-December 1975. Earlier this fall, unfavorable beef-corn price relationships did not encourage expanded placements. However, harvesttime corn prices and more favorable steer prices are expected to raise first half 1977 placements 5 to 6 percent over early 1976. While this points to more fed beef later in 1977, the lower October 1 inventory of lightweight cattle on feed and the expected fall placements point to less fed beef during the winter, particularly, and the spring. If nonfed slaughter continues somewhat below year-earlier levels as expected, first half 1977 beef production probably will reach about 6 billion pounds each quarter, and beef consumption would be 2-3 pounds per person below this past summer and fall.

It appears that per capita disposable income in current dollars will be up nearly 8 percent in 1976. If the general economic recovery continues as expected in 1977, the rise in consumer income will increase consumer buying power and strengthen the demand for meat next year.

With moderate supply reductions, beef and cattle prices are expected to increase gradually throughout the winter and spring. Choice steer prices likely will average in the low to mid-$40's per cwt., with the bulk of their strength coming with seasonally strong demand in the spring.

Federally inspected hog slaughter averaged 30 percent over a year earlier for the 13 weeks ending November 27. For the fall quarter, the gain in commercial hog slaughter over 1975 could be nearly as much. The heavy slaughter is holding the fourth quarter average in the low $30's. For the year, hog slaughter will be up about 7 percent. While the annual average price of hogs will run $5 below 1975's $48-per-cwt. record, it will still be only the second time hog prices have averaged over $40 for a year.

Sow slaughter has been running above year-earlier levels; some packers report gilts are making up a somewhat larger percentage of total barrow and gilt slaughter. These trends may be early indicators of a halt in the expansion of the breeding herd. December through February farrowings are commencing and may run about a tenth above last year, but March-May farrowings are expected to run near those of 1976 since current feed-hog price relationships do not favor continued expansion.

Hog prices this coming winter will continue low. During the spring, pork production may decline seasonally 5 to 7 percent, which could move hog prices into the mid-$30's at that time.

SITUATION AND OUTLOOK

Commercial Meat Production and Livestock Prices

	1975				1976				1977[1]	
	I	II	III	IV	I	II	III	IV[1]	I	II
Production:										
Beef (mil. lb.)	5,842	5,593	5,942	6,296	6,491	6,143	6,617	6,500	6,000	6,000
% Δ year earlier	+8	-1	+3	+5	+11	+10	+11	+3	-8	-2
% Δ previous qtr	-3	-4	+6	+6	+3	-5	+8	-2	-8	0
Pork (mil. lb.)	3,044	2,923	2,512	2,835	2,895	2,782	2,953	3,600	3,550	3,300
% Δ year earlier	-10	-17	-23	-17	-5	-5	+18	+27	+23	+19
% Δ previous qtr	-11	-4	-14	+13	+2	-4	+6	+22	-1	-7
Lamb and Mutton (mil. lb.)	101	96	104	98	95	81	93	90	90	85
% Δ year earlier	-15	-12	-12	-9	-6	-16	-11	-8	-5	+5
% Δ previous qtr	-6	-5	+8	-6	-3	-15	+15	-3	0	-6
Veal (mil. lb.)	166	182	232	247	206	178	205	160	155	150
% Δ year earlier	+100	+117	+92	+60	+24	-2	-12	-35	-25	-16
% Δ previous qtr	+8	+10	+27	+7	-17	-14	+15	-22	-3	-3
Total Red Meat (mil lb.)	9,153	8,794	8,790	9,476	9,687	9,184	9,868	10,350	9,795	9,535
% Δ year earlier	+2	-6	-5	-2	+6	+4	+12	+9	+1	+4
% Δ previous qtr	-6	-4	0	+8	+2	-5	+7	+5	-5	-3
Prices $/cwt:										
Choice steers, Omaha 900-1100 lb.	35.72	48.03	48.64	46.05	38.71	41.42	37.30	38-40	41-43	43-45
Barrows & gilts, 7 mkts	39.35	46.11	58.83	52.20	47.99	49.19	43.88	32-34	33-35	35-37
Slaughter lambs, 5 mkts	40.28	46.89	42.51	45.03	49.35	56.66	42.65	44-46	45-47	52-54

[1] Forecast.

CATTLE

Fed cattle prices strengthened this fall, but our feeding budgets suggest that most feedlots are still selling below cost. The prospects for some further price strength are favorable, although this is contingent on a number of issues that will be discussed in this report.

Slaughter Still Large

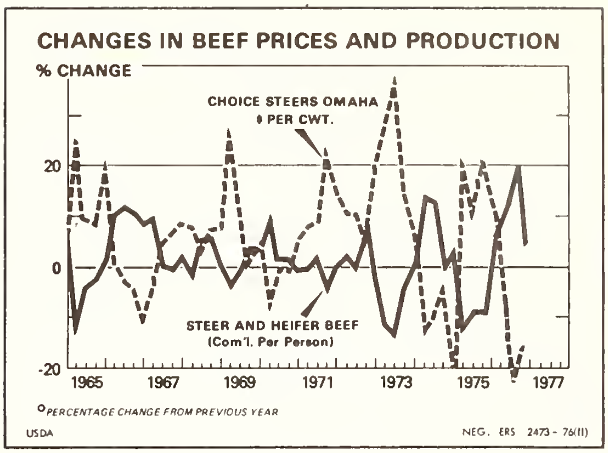
Federally inspected cattle slaughter exceeded 750,000 head per week in October through mid-November. Fed cattle comprised a greater proportion of the mix than a year ago, with average dressed weights for this period running over 600 pounds compared with 580 pounds a year earlier. Currently, weekly slaughter data suggest that fourth quarter commercial slaughter will be slightly below a year earlier, but with higher average weights, beef production will exceed that of October-December 1975. However, fourth quarter beef production is not expected to reach this summer's 6.6 billion-pound record; and the production rate will probably be in a slight seasonal decline in December. This could further strengthen fed cattle prices toward yearend.

Beef imports are limited to the 1,233-million-pound trigger level this year (product weight, subject to quota) since the quota was invoked at this figure. As of November 23, 95 percent of the quota had been filled. Thus, December imports should be low. Both quota and nonquota items probably will total around 1.9 billion pounds carcass weight for the year. Given the mechanics of the current import law, the quota (and trigger level) will increase slightly in 1977 because 1974 beef production will be replaced by a somewhat higher estimate for 1977. The 3-year moving aver-

Table 1—Beef supplies and prices

	Commercial cattle slaughter[1]						Average dressed weight	Commercial production	Per capita consumption[2]	Prices			
	Steers and heifers			Cows	Bulls and stags	Total				Retail	Choice Feeders 600-700 lb. Kansas City	Choice Steers Omaha 900-1100 lb.	Farm
	Fed	Non-fed	Total										
	1,000 head	*1,000 head*	*1,000 head*	*1,000 head*	*1,000 head*	*1,000 head*	*Lb.*	*Mil. lb.*	*Lb.*	*Cent/ lb.*	*$/cwt.*	*$/cwt.*	*$/cwt.*
1971: I	6,380	572	6,952	1,500	135	8,587	619	5,300	27.7	100.2	33.57	31.06	27.93
II	6,480	687	7,167	1,586	164	8,917	612	5,445	28.1	104.8	34.50	32.54	29.17
III	6,820	666	7,486	1,614	179	9,279	602	5,574	29.3	105.4	34.84	32.71	29.00
IV	6,380	592	6,972	1,675	155	8,802	613	5,378	27.9	106.6	36.57	33.27	29.83
Year	26,060	2,517	28,577	6,375	633	35,585	611	21,697	113.0	104.2	34.87	32.39	29.00
1972: I	6,630	402	7,032	1,518	148	8,698	619	5,370	28.2	114.4	38.47	35.71	32.40
II	6,930	452	7,382	1,474	166	9,022	619	5,566	28.9	112.3	40.30	36.04	33.33
III	7,140	223	7,363	1,472	180	9,015	618	5,559	29.4	115.3	42.46	36.26	34.07
IV	6,970	395	7,365	1,528	151	9,044	635	5,723	29.6	113.2	44.36	35.12	34.07
Year	27,670	1,472	29,142	5,992	645	35,779	623	22,218	116.1	113.8	41.40	35.78	33.50
1973: I	6,770	146	6,916	1,590	156	8,662	624	5,393	28.0	129.2	50.77	43.28	40.80
II	6,470	86	6,556	1,434	165	8,155	621	5,049	26.2	135.8	53.74	45.84	43.43
III	6,080	204	6,284	1,533	180	7,997	625	4,998	26.8	141.8	57.98	48.57	47.67
IV	6,570	437	7,007	1,691	175	8,873	638	5,648	28.6	135.1	50.20	40.47	40.00
Year	25,890	873	26,763	6,248	676	33,687	626	21,088	109.6	135.5	53.17	44.54	42.80
1974: I	6,100	560	6,660	1,689	165	8,514	638	5,434	28.3	145.1	47.78	45.46	42.83
II	6,430	817	7,247	1,391	179	8,817	639	5,638	28.8	134.5	39.80	40.01	36.37
III	5,680	1,526	7,206	1,913	244	9,363	614	5,751	29.4	141.0	34.64	43.91	34.97
IV	5,670	1,695	7,365	2,521	232	10,118	595	6,021	30.3	134.5	29.31	38.19	28.83
Year	23,880	4,598	28,478	7,514	820	36,812	621	22,844	116.8	138.8	37.88	41.89	35.60
1975: I	5,690	1,611	7,301	2,224	208	9,733	600	5,842	30.3	129.6	27.39	35.72	27.33
II	5,200	1,658	6,858	2,419	73	9,550	586	5,593	28.4	146.5	34.67	48.03	34.57
III	5,190	1,913	7,103	3,124	312	10,539	564	5,942	30.2	156.4	35.54	48.64	33.83
IV	5,120	1,875	6,995	3,790	304	11,089	568	6,296	31.2	151.4	38.06	46.05	33.07
Year	21,200	7,057	28,257	11,557	1,097	40,911	579	23,673	120.1	146.0	33.91	44.61	32.30
1976: I	6,560	1,367	7,927	2,749	236	10,912	595	6,491	32.7	142.1	39.19	38.71	33.77
II	6,150	1,431	7,581	2,329	258	10,168	604	6,143	31.2	141.5	43.89	41.42	37.03
III	6,400	1,636	8,036	2,609	262	10,907	607	6,617	33.3	136.1	38.10	37.30	32.90
IV[3] ...	6,050	1,500	7,550	3,000	250	10,800	602	6,500	31.8	135.0	38.00	39.00	32.00
Year													

[1] Classes estimated. [2] Total Including Farm Production, farm production estimated for 1976. [3] Forecast.

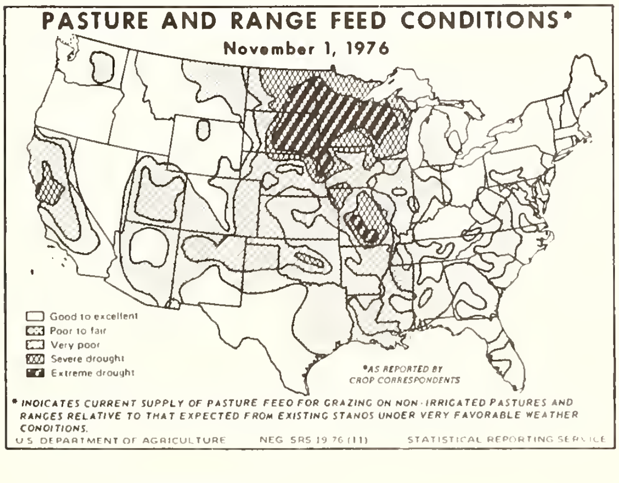

CHANGES IN BEEF PRICES AND PRODUCTION

°PERCENTAGE CHANGE FROM PREVIOUS YEAR
USDA NEG. ERS 2473-76(11)

age (1975-77) is used to adjust the import base as specified by the formula in the law. With a small increase in 1977, quota and nonquota beef imports next year may total near 8 percent of commercial beef production.

Modest Decline in Winter-Spring 1977 Beef Supply

According to the October Cattle on Feed Report, there were about 3.3 million head of lighter weight cattle on feed October 1. If usual marketing patterns hold (see chart), January-March marketings of 5.6 to 5.7 million head are to be expected from 23 States—around 5.9 million head from all States. While November 1 range conditions were 13 points below the 10-year average, the rating was up slightly from earlier months. Severe drought was still concentrated in the Northern Plains. This probably forced substantial liquidation of cattle in this area in the late summer. Thus, nonfed steer, heifer, and cow slaughter this winter and spring is expected to drop seasonally if drought conditions do not bring further forced movement. Accordingly, commercial cattle slaughter is expected to total less than 10 million head during the first quarter for the first time for any quarter since early 1975. As a result, commercial beef production during the early months of 1977 may run somewhat below both year-earlier and previous-quarter levels.


PASTURE AND RANGE FEED CONDITIONS*
November 1, 1976

* INDICATES CURRENT SUPPLY OF PASTURE FEED FOR GRAZING ON NON-IRRIGATED PASTURES AND RANGES RELATIVE TO THAT EXPECTED FROM EXISTING STANDS UNDER VERY FAVORABLE WEATHER CONDITIONS.
U.S. DEPARTMENT OF AGRICULTURE NEG. SRS 19-76 (11) STATISTICAL REPORTING SERVICE

The supply of cattle weighing over 500 pounds that were not in feedlots on October 1 was estimated at 10.5 million head as opposed to 9.4 million head October 1, 1975. With many of these yearlings priced just out of the packer's reach and with corn prices becoming more favorable, many of these heavy weight cattle may have gone into a 3- to 4-month feeding program this fall. Industry reports indicate that a substantial number of these heavy yearlings are being placed on feed. The December 1 Cattle on Feed Report should confirm these reports if November placements are shown to be up significantly. If so, these animals could come to slaughter in February and March. This would raise first quarter beef production more than expected, and fed cattle prices would be under pressure during this time. But in either event, first quarter production is expected to be below year-earlier levels.

In light of prospects for continued losses in cattle feeding, feedlot placements had expected to run slightly below last fall's 8.3 million head. The November 1 report showed October placements in the 7 States at 2.3 million head, about the same as a year ago. Placements during the fall quarter set the stage for spring quarter fed cattle marketings. If placements run slightly below year-earlier levels this fall, spring quarter marketings would likely still exceed first-quarter levels and run near the April-June 1976 rate. But seasonally lower nonfed slaughter of cows, steers, and heifers should offset the increase in fed cattle marketed, thereby holding spring beef production near 6 billion pounds.

Some Price Strength Expected

General economic conditions will be an important demand factor throughout 1977. While estimates of per capita disposable income have been lowered slightly for the first half of 1977—reflecting the pause in economic activity—it is still expected to be above a year earlier; and late 1977 income projections are now above earlier estimates. These data suggest a strong demand and lead us to expect consumer expenditures for meat to hold near or above 1976 levels next year. Although pork supplies will run about 15 percent above a year earlier (up 2 pounds or so per person), they will be near or slightly below this fall's supply. Given the domestic production and import levels suggested earlier, per capita commercial beef consumption will be near 30 pounds in both the winter and spring quarters of 1977. This consumption rate would be about 2 pounds below last summer, this fall, and year-earlier levels.

Slightly less beef coupled with high but stable pork and broiler supplies and a strong demand should strengthen fed cattle prices this coming winter. However, some bunching of short-fed yearlings in February and March could develop and counter price strength during this period.

Seasonal demand usually pulls retail prices up slightly in the spring after allowing for supply changes. If second quarter beef and total meat supplies run near first-quarter levels, seasonal demand could give further strength to both retail and Choice steer prices.

Feeding Costs Moderating

The selected cattle feeding budgets shown in this section indicate breakeven prices of 43-45 cents per pound to cover feed and feeder costs for cattle marketed this fall. These calculations suggest a loss of $4 to $6 per cwt. in addition to fixed overhead expenses. Feed and feeder costs will be close to 40 cents for cattle placed this past summer for marketing in January-March. Corn prices are likely to increase moderately during the next few months. If fed cattle prices strengthen as expected, feeders could be looking at a beef-corn ratio of 17-18 early next year compared with 15 or less throughout most of 1976. This could lead to a first half placement rate 5 to 6 percent above the early 1976 level.

Cow Numbers Still Declining

While the inventory of cattle and calves on January 1, 1977 will be down from a year earlier, the more relevant question concerns the change in cow numbers—which is the primary determinant of the calf crop that leads to expansion or contraction of the industry. Beef and dairy cows on hand January 1, 1976 made up just over two-fifths of the 128 million head of cattle and calves. Most of the variation in total cow numbers takes place in the beef sector.

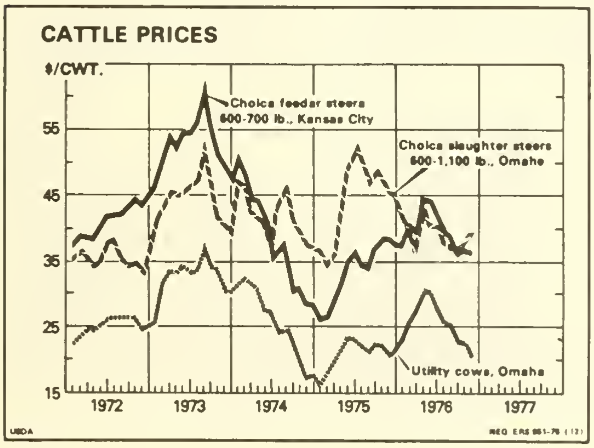
Cow slaughter in 1976 is expected to be below last year's cull. However, the inventory of replacement heifers was down 1.8 million head last January 1 with almost all of the decline in beef heifers. Over the past 10 years, 87 to 99 percent of the beef and dairy heifers intended for herd replacement have actually entered the herd. Most of the observations cluster in the 88 to 92 percent area. Using a 90 percent replacement rate on beef and dairy heifers and a usual death loss of 4 percent, the following balance sheet can be constructed for cows.

	Dairy cows[1]	Beef cows	Total cows
	Million head		
1-1-76 Inventory	11.1	43.7	54.8
Heifer replacements ...	3.9	6.1	10.0
1976 slaughter	3.8	6.9	10.7
Death loss	.2	2.0	2.2
1-1-77 Inventory	11.0	40.9	51.9

[1] Estimates of dairy inventories are reported each month.

This indicates about a 3 million head drop in cow numbers this year compared with 1.9 in 1975. Such a drop in beef cow numbers would be 50 percent greater than the 1975 reduction of 1.8 million cows.

The 1976 calf crop (estimated at 46.9 million head) was only 85 percent of the January 1 cow inventory. While this ratio of calves born to the beginning cow inventory has averaged 94 percent in recent years, it may run lower during the liquidation phase of the cycle when more cows are slaughtered.



Choice steer prices per 100 pounds, Omaha[1]

Month	1971	1972	1973	1974	1975	1976
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*	*Dol.*
January	29.10	35.63	40.65	47.14	36.34	41.18
February ...	32.18	36.32	43.54	46.38	34.74	38.80
March	31.89	35.17	45.65	42.85	36.08	36.14
April	32.41	34.52	45.03	41.53	42.80	43.12
May	32.86	35.70	45.74	40.52	49.48	40.62
June	32.35	37.91	46.76	37.98	51.82	40.52
July	32.44	38.38	47.66	43.72	50.21	37.92
August	33.10	35.70	52.94	46.62	46.80	37.02
September ..	32.58	34.69	45.12	41.38	48.91	36.97
October	32.22	34.92	41.92	39.64	47.90	37.88
November ...	33.30	33.59	40.14	37.72	45.23	39.15
December ...	34.28	36.85	39.36	37.20	45.01	
Average	32.39	35.78	44.54	41.89	44.61	

[1] 900-1,100 lb.

Table 2—Corn Belt Cattle Feeding

Selected expenses at current rates[1]

Purchased during Marketed during	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. 76 July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July Jan.	Aug. Feb.	Sept Mar.	Oct. Apr.	Nov. May
	Dollars per head	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars pper head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*
Expenses:																
600 lb. feeder steer	206.04	225.54	228.54	229.56	226.98	224.76	242.52	238.14	267.72	265.26	256.98	235.08	233.64	217.08	220.32	217.56
Transportation to feedlot (400 miles)	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Corn (45 bu.)	133.20	124.20	115.20	104.40	105.30	108.90	111.60	112.50	110.70	118.80	123.75	127.35	117.90	117.90	103.50	90.90
Silage (1.7 tons)	37.93	36.86	35.36	33.46	34.20	35.02	35.87	35.21	34.80	36.40	37.40	38.15	36.50	37.77	35.33	33.37
Protein supplement (270 lb.)	23.76	24.30	24.84	23.36	23.62	23.62	23.62	23.62	23.49	24.03	27.27	28.35	26.60	28.35	27.14	27.14
Hay (400 lb.)	9.10	9.55	9.70	9.80	10.20	10.30	10.55	9.95	9.90	9.95	10.00	10.05	10.15	11.05	11.25	11.55
Labor (4 hours)	8.76	8.76	9.80	9.80	9.80	9.80	10.24	10.24	10.24	10.32	10.32	10.32	9.56	9.56	9.56	9.84
Management[2]	4.38	4.38	4.90	4.90	4.90	4.90	5.12	5.12	5.12	5.16	5.16	5.16	4.78	4.78	4.78	4.92
Vet medicine[3]	3.00	3.03	3.03	3.03	3.04	3.03	3.05	3.06	3.08	3.08	3.12	3.13	3.12	3.11	3.09	3.09
Interest on purchase (6 mo.)	9.79	10.71	10.86	10.33	10.21	10.11	10.91	10.72	12.05	11.94	11.56	10.58	10.51	9.77	9.91	9.79
Power, equip, fuel, shelter, depreciation[3]	14.01	14.14	14.12	14.12	14.18	14.14	14.23	14.29	14.38	14.38	14.53	14.58	14.53	14.51	14.42	14.40
Death loss (1% of purchase)	2.06	2.26	2.29	2.30	2.27	2.25	2.43	2.38	2.68	2.65	2.57	2.35	2.34	2.18	2.20	2.18
Transportation (100 miles)	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31
Marketing expenses	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Miscellaneous & indirect costs[3]	6.06	6.11	6.11	6.11	6.13	6.11	6.15	6.18	6.22	6.22	6.29	6.30	6.29	6.28	6.24	6.23
Total	469.03	480.78	475.69	462.11	461.77	463.88	487.23	482.35	511.32	519.13	519.89	502.34	486.86	473.28	458.68	441.91
	Dollars per cwt.	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*
Selling price/cwt. required to cover feed and feeder costs (1050 lb.)	39.05	40.04	39.39	38.15	38.12	38.34	40.40	39.94	42.53	43.28	43.37	40.85	440.46	39.25	37.86	36.24
Selling price/cwt. required to cover all costs (1050 lb.)	44.67	45.79	45.30	44.01	43.98	44.18	46.40	45;94	48.70	49.44	49.51	47.84	46.37	45.07	43.68	42.09
Feed cost per 100 lb. gain	45.33	43.31	41.13	38.00	38.52	39.52	40.36	40.28	39.75	42.04	44.09	45.31	42.48	43.35	39.38	36.21
Choice steers, Omaha	38.80	36.14	43.12	40.62	40.52	37.92	37.02	36.97	37.88	39.15						
Net margin/cwt.	-5.87	-9.65	-2.18	-3.39	-3.46	-6.26	-9.38	-8.97	-10.82	-10.29						
Prices																
Feeder steer choice (600-700 lb., Kansas City/cwt.)	34.34	37.59	38.09	38.26	37.83	37.46	40.42	39.69	44.62	44.21	42.83	39.18	38.94	36.18	36.72	36.26
Corn/bu.[4]	2.96	2.76	2.56	2.32	2.34	2.42	2.48	2.50	2.46	2.64	2.75	2.83	2.62	2.62	2.30	2.02
Hay/ton[4]	45.50	47.75	48.50	49.00	51.00	51.50	52.75	49.75	49.50	49.75	50.00	50.25	50.75	55.25	56.25	57.75
Corn silage /ton[5]	22.31	21.68	20.80	19.68	20.12	20.60	21.10	20.71	20.47	21.41	22.00	22.44	21.47	22.22	20.78	19.63
32-36% Protein supp./cwt.[6]	8.80	8.90	9.20	8.65	8.75	8.75	8.75	8.75	8.70	8.90	10.10	10.50	9.85	10.50	10.05	10.05
Farm Labor/hour[6]	2.19	2.19	2.45	2.45	2.45	2.45	2.56	2.56	2.56	2.58	2.58	2.58	2.39	2.39	2.39	2.46
Interest annual rate	9.50	9.50	9.50	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Transportation rate/cwt. 100 mile	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses[8]	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.55
Index of prices paid by farmers (1910-14=100)	639	645	644	644	647	645	649	652	656	656	663	665	663	662	658	657

[1] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feeders. For individual use, adjust expenses and prices for management, production level and locality of operation. [2] Assumes one hour at twice the labor rate. [3] Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates. [4] Average price received by farmers in Iowa and Illinois. [5] Corn silage price derived from an equivalent price of 5 bushels corn and 330 lb. hay. [6] Average price paid by farmers in Iowa and Illinois. [7] Converted from cents/mile for a 44,000 pound haul. [8] Yardage plus commission fees at a midwest terminal market.

Table 3—Great Plains Custom cattle feeding[1]

Purchased during Marketed during	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. 76 July	Feb. Aug.	Mar. Sep.	Apr. Oct.	May Nov.	June Dec.	July Jan.	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May
	Dollars per head	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*
Expenses:																
600 lb. feeder steer	205.08	222.66	216.90	226.50	236.40	226.02	242.40	235.44	265.74	253.50	248.22	234.24	231.00	208.86	210.24	208.14
Transportation to feedlot (300 mi)	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96
Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Feed:																
milo (1,500 lb.)	79.50	75.60	69.60	66.75	68.85	65.85	67.35	69.00	68.25	69.75	72.75	75.60	68.10	66.15	60.90	58.95
corn (1,500 lb.)	89.55	79.50	75.00	72.75	74.40	71.10	71.85	72.60	73.50	78.45	81.75	82.50	75.75	70.50	66.30	63.30
cottonseed meal (400 lb.)	33.60	34.80	36.00	36.00	36.80	37.20	36.80	36.80	36.40	36.40	38.80	43.20	42.00	42.40	42.40	42.00
alfalfa hay (800 lb.)	34.00	33.80	34.20	38.00	36.60	37.00	38.80	37.20	37.80	38.40	38.00	39.20	39.00	39.40	39.00	38.80
Total feed cost	236.65	223.70	214.80	213.50	216.65	211.15	214.80	215.60	215.95	223.00	231.30	240.50	224.85	218.45	208.60	203.05
Feed handling & management charge	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Vet medicine	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Interest on feeder & ½ feed	16.17	16.73	15.40	15.83	16.37	15.75	16.62	16.30	17.75	17.34	17.28	16.84	16.31	15.11	14.55	14.32
Death loss (1.5% of purchase)	3.08	3.34	3.25	3.40	3.55	3.39	3.64	3.53	3.99	3.80	3.72	3.51	3.46	3.13	3.15	3.12
Marketing[2]	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.
Total	491.94	497.39	481.31	490.19	503.93	487.27	508.42	501.83	534.39	528.60	531.48	526.05	506.58	476.51	467.50	459.59
	Dollars per cwt.	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*
Selling price required to cover[3]:																
feed and feeder cost (1,056 lb.)	41.83	42.27	40.88	41.67	42.90	41.40	43.30	42.71	45.61	45.12	45.41	44.96	43.17	40.46	39.66	38.94
all costs	46.59	47.10	45.58	46.42	47.72	46.14	48.15	47.52	50.61	50.06	50.33	49.82	47.97	45.12	44.27	43.52
Selling price $/cwt.[4]	38.96	35.88	45.10	41.49	41.57	37.91	37.54	37.46	38.40	40.10						
Net margin/cwt.	-7.63	-11.22	-.48	-4.93	-6.15	-8.23	-10.61	-10.06	-12.21	-9.96						
Costs per 100 lb. gain:																
Variable costs less interest	52.75	50.21	48.41	48.18	48.84	47.71	48.49	48.63	48.79	50.16	51.80	53.60	50.46	49.12	47.15	46.03
Feed costs	47.33	44.74	42.96	42.70	43.33	42.23	42.96	43.12	43.19	44.60	46.26	48.10	44.97	43.69	41.72	40.61
Unit Prices:																
Choice feeder steer 600-700 lb. Amarillo $/cwt.	34.18	37.11	36.15	37.75	39.40	37.67	40.40	39.24	44.29	42.25	41.37	39.04	38.50	34.81	35.04	34.69
Transportation rate $/cwt/100 miles[5]	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Commission fee $/cwt.	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
Milo $/cwt.[6]	5.30	5.04	4.64	4.45	4.59	4.39	4.49	4.60	4.55	4.65	4.85	5.04	4.54	4.41	4.06	3.93
Corn $/cwt.[6]	5.97	5.30	5.00	4.85	4.96	4.74	4.79	4.84	4.90	5.23	5.45	5.50	5.05	4.70	4.42	4.22
Cottonseed meal $/cwt.[7]	8.40	8.70	9.00	9.00	9.20	9.30	9.20	9.20	9.10	9.10	9.70	10.80	10.50	10.60	10.60	10.50
Alfalfa hay $/ton[8]	85.00	84.50	85.50	95.00	91.50	92.50	97.00	93.00	94.50	96.00	95.00	98.00	97.50s	98.50	97.50	97.00
Feed handling & management charge $/ton	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Interest, annual rate	10.00	10.00	10.00	10.00	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.25	9.25

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[1] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feedlots. For individual use, adjust expenses and prices for management, production level, and locality of operation. Steers are assumed to gain 500 lb in 180 days at 2.8 lb. per day with a feed conversion of 8.4 lb. per pound gain. [2] Most cattle sold F.O.B. the feedlot with 4 percent shrink. [3] Sale weight 1,056 pounds (1,100 pounds less 4 percent shrink) [4] Choice slaughter steers, 900-1,100 lb., Texas-New Mexico direct. [5] Converted from cents per mile for a 44,000 pound haul. [6] Texas Panhandle elevator price plus $.15/cwt. hauling and transportation to feed lots. [7] Average prices received by farmers in Texas. [8] Average prices received by farmers in Texas plus $30/ton handling and transportation to feedlots.

Gross cattle feeding margins per steer

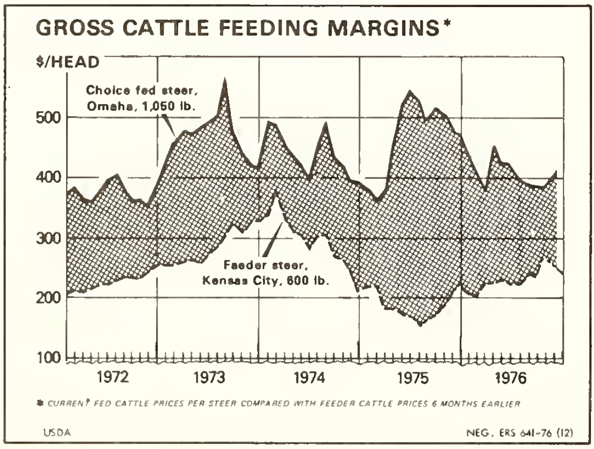
Year	Fed cattle[2]	Feeder cattle[3]	Gross margin
	Dollars per steer	*Dollars per steer*	*Dollars per steer*
1974			
January	495	339	156
February	487	374	113
March	450	330	120
April	436	311	125
May	425	306	119
June	399	286	113
July	459	303	156
August	490	305	185
September	434	269	165
October	416	265	151
November	396	241	155
December	391	211	180
1975			
January	382	220	162
February	365	220	145
March	379	183	196
April	449	186	263
May	520	172	348
June	544	170	374
July	527	159	368
August	491	162	329
September	514	172	342
October	503	190	313
November	475	213	262
December	473	221	252
1976			
January	432	208	224
February	407	206	201
March	379	226	153
April	453	229	224
May	427	230	197
June	425	227	198
July	398	225	173
August	389	243	146
September	388	238	150
October	398	268	130
November	411	265	146
December			

[1] Current choice steer, Omaha, 1,050 lb. [2] Choice 600 lb. steer, K.C. 6 mo. earlier.

7 States Cattle on Feed, Placements and Marketings

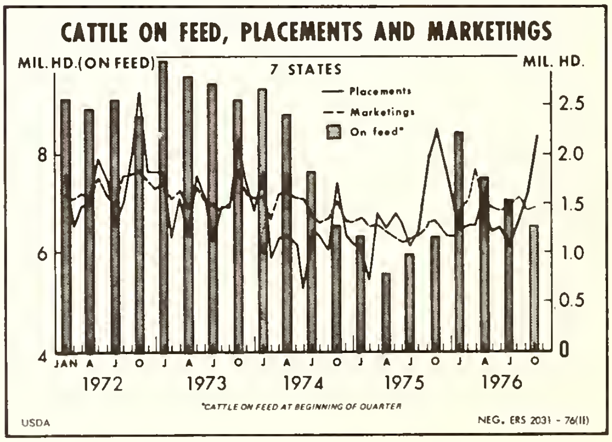
Year	On feed	Change, previous year[1]	*Placements	Change, previous year	Marketings	Change, previous year
	1,000 head	*Percent*	*1,000 head*	*Percent*	*1,000 head*	*Percent*
1973						
Jan.	9,884	+8.5	1,830	+2.5	1,721	+7.4
Feb.	9,993	+7.5	1,183	-6.7	1,541	+0
Mar.	9,635	+6.8	1,563	+5.3	1,623	+3.2
Apr.	9,575	+7.2	1,186	-20.5	1,440	-6.9
May	9,321	+5.0	1,785	-8.6	1,688	-4.0
June	9,418	+3.8	1,596	-7.3	1,557	-7.3
July	9,457	+3.7	1,133	-11.3	1,498	+1.2
Aug.	9,092	+2.0	1,469	-5.2	1,410	-20.9
Sept.	9,151	+5.4	1,446	-23.6	1,490	-16.9
Oct.	9,107	+3.7	2,133	-19.1	1,773	-3.6
Nov.	9,467	-1.2	1,647	-10.1	1,639	-5.5
Dec.	9,475	-2.1	1,411	-23.1	1,533	-5.8
1974*						
Jan.	9,353	-5.4	1,837	+0.4	1,558	-9.5
Feb.	9,632	-3.6	956	-19.2	1,340	-13.0
Mar.	9,248	-4.0	1,132	-27.8	1,577	-2.8
Apr.	8,803	-8.1	1,177	-0.8	1,629	+13.1
May	8,351	-10.4	1,085	-39.2	1,551	-8.1
June	7,885	-16.3	801	-49.8	1,540	-1.1
July	7,146	-24.4	1,218	+7.5	1,357	-9.4
Aug.	7,007	-22.9	1,149	-21.8	1,301	-7.7
Sept.	6,855	-25.1	1,041	-28.0	1,324	-11.1
Oct.	6,572	-27.8	1,741	-18.4	1,517	-14.4
Nov.	6,796	-28.2	1,168	-29.1	1,338	-18.4
Dec.	6,626	-30.1	1,091	-22.7	1,348	-12.1
1975*						
Jan.	6,369	-31.9	1,053	-42.7	1,372	-11.9
Feb.	6,050	-37.2	747	-21.9	1,316	-1.8
Mar.	5,481	-40.7	1,448	+27.9	1,331	-15.6
Apr.	5,598	-36.4	1,266	+7.6	1,275	-21.7
May	5,589	-33.1	1,424	+31.2	1,172	-24.4
June	5,841	-25.9	1,313	+63.9	1,148	-25.5
July	6,006	-16.0	1,090	-10.5	1,164	-14.2
Aug.	5,932	-15.3	1,230	+7.0	1,213	-6.8
Sept.	5,949	-13.2	2,005	+92.6	1,298	-2.0
Oct.	6,656	+1.3	2,228	+28.0	1,307	-13.8
Nov.	7,577	+11.5	1,864	+59.6	1,189	-11.1
Dec.	8,252	+24.5	1,483	+35.9	1,202	-10.8
1976*						
Jan.	8,533	+34.0	1,282	+21.7	1,462	+6.6
Feb.	8,353	+38.1	1,281	+71.4	1,517	+15.3
Mar.	8,117	+48.1	1,265	-12.6	1,857	+39.5
Apr.	7,525	+34.4	1,496	+18.2	1,502	+17.8
May	7,519	+34.5	1,224	-14.0	1,489	+27.0
June	7,254	+24.2	1,277	-2.7	1,457	+26.9
July	7,074	+17.8	1,092	+0.2	1,500	+28.9
Aug.	6,666	+12.4	1,352	+9.9	1,586	+30.8
Sept.	6,432	+8.1	1,607	-19.9	1,467	+13.0
Oct.	6,572	-1.3	2,217	-0.5	1,487	+13.8
Nov.	7,302	-3.6				

*Other disappearance subtracted to make comparable with previous year.


GROSS CATTLE FEEDING MARGINS*

* CURRENT FED CATTLE PRICES PER STEER COMPARED WITH FEEDER CATTLE PRICES 6 MONTHS EARLIER

USDA NEG. ERS 641-76 (12)


CATTLE ON FEED, PLACEMENTS AND MARKETINGS

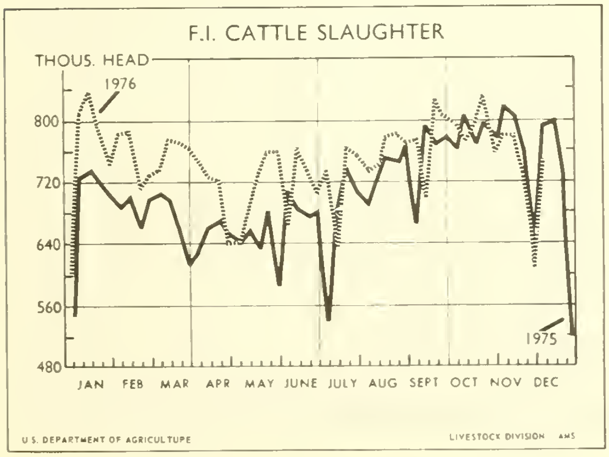
*CATTLE ON FEED AT BEGINNING OF QUARTER

USDA NEG. ERS 2031 - 76(11)

Federally inspected cattle slaughter,

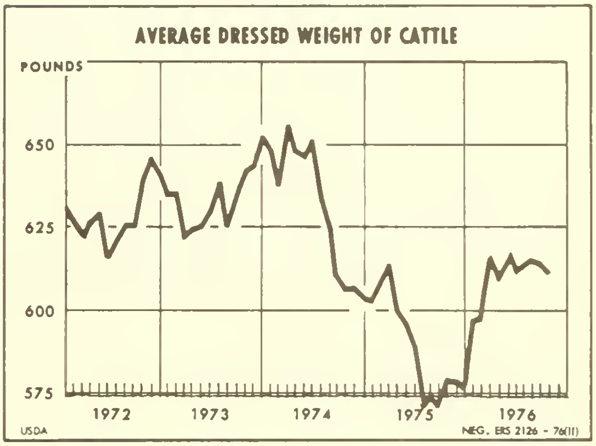
Week ended 1976[1]	Cattle		Steers		Cows	
	1975	1976	1975	1976	1975	1976
	Thou.	*Thou.*	*Thou.*	*Thou.*	*Thou.*	*Thou.*
Jan. 10	730	818	350	313	190	251
17	740	837	366	328	175	253
24	723	795	353	327	182	225
31	707	755	351	301	165	222
Feb. 7	692	788	355	336	147	210
14	706	795	355	343	164	189
21	668	717	334	308	152	184
28	700	730	363	318	141	178
Mar. 6	712	742	356	330	159	166
13	702	778	373	362	143	154
20	662	775	330	356	149	168
27	611	765	319	356	134	159
Apr. 3	631	751	314	358	143	146
Apr. 10	662	732	328	331	155	157
17	674	725	337	334	158	157
24	654	644	320	282	160	155
May 1	649	644	320	275	154	168
May 8	661	687	325	315	157	157
15	638	735	296	345	171	163
22	680	765	323	353	175	179
29	592	766	280	354	150	172
June 5	716	672	342	314	175	143
12	686	762	307	354	186	180
19	680	727	295	345	194	169
26	686	711	302	321	195	173
July 3	552	727	250	351	154	165
July 10	682	644	299	310	201	141
17	739	767	317	353	225	196
24	710	759	297	360	208	178
31	695	739	293	350	206	166
Aug. 7	721	744	305	359	212	164
14	744	780	315	365	220	182
21	750	785	307	363	220	184
28	768	776	312	351	223	188
Sept. 4	671	778	275	339	185	199
11	794	700	313	316	226	165
18	779	826	298	368	238	204
25	783	814	294	359	249	217
Oct. 2	768	786	273	347	254	197
Oct. ,9	810	775	294	353	262	181
16	774	794	284	348	257	200
23	802	832	284	344	270	230
30	785	758	283	309	268	212
Nov. 6	821	756	291	307	282	213
13	805	784	289	321	275	230
20	766	741	275		280	
27	650	608	248		221	
Dec. 4	802	746	286		290	
11	808		288		292	
18	725		266		260	
25	517		212		159	
Jan. 1	606		250		180	

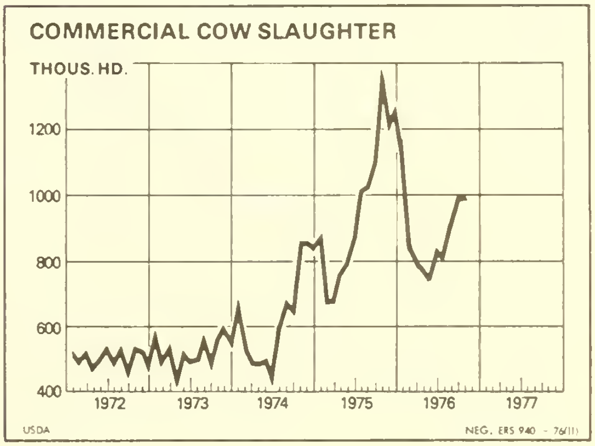
[1] Corresponding date: January 11, 1975.



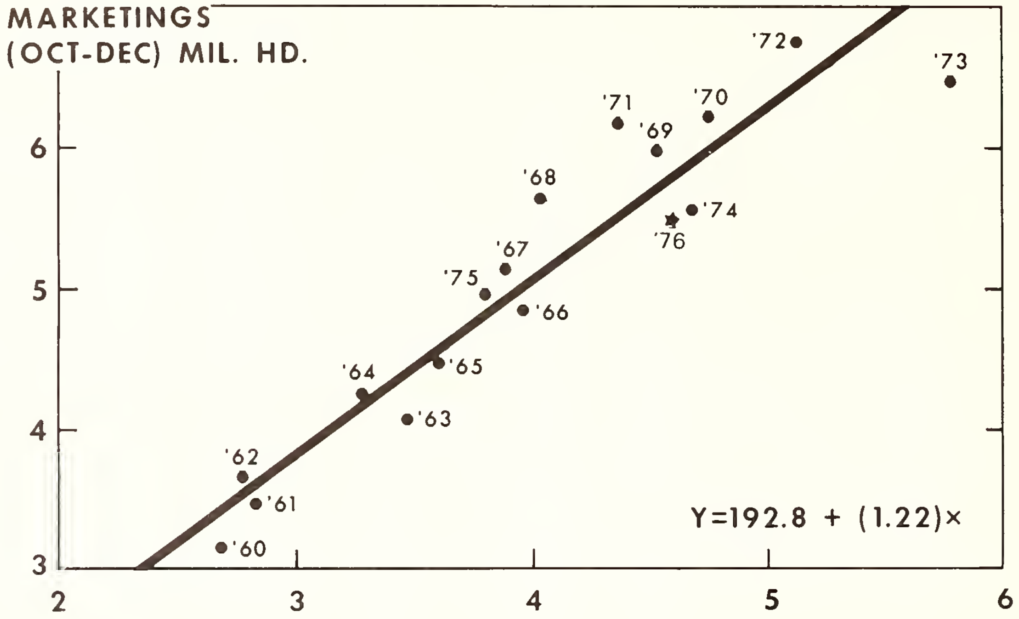
Utility cow prices per 100 pounds, Omaha

Month	1971	1972	1973	1974	1975	1976
	Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
January	19.98	22.61	26.67	31.45	16.82	23.26
February	20.98	23.80	31.43	32.65	18.18	25.90
March	22.03	24.73	33.90	31.76	19.45	27.45
April	21.48	24.70	33.59	30.49	21.67	30.72
May	22.30	25.51	34.26	27.67	23.55	30.24
June	22.03	26.00	33.09	26.39	23.32	27.47
July	21.68	26.22	34.21	24.22	22.00	25.80
August	21.72	26.18	37.56	24.54	21.29	25.10
September	21.84	26.57	34.58	22.56	22.45	22.90
October	22.30	26.19	33.68	19.68	22.01	22.72
November	21.45	24.98	30.71	17.62	20.73	20.59
December	21.64	25.02	30.10	17.67	21.64	
Average	21.62	25.21	32.82	25.56	21.09	





CATTLE ON FEED AND MARKETINGS, 23 STATES

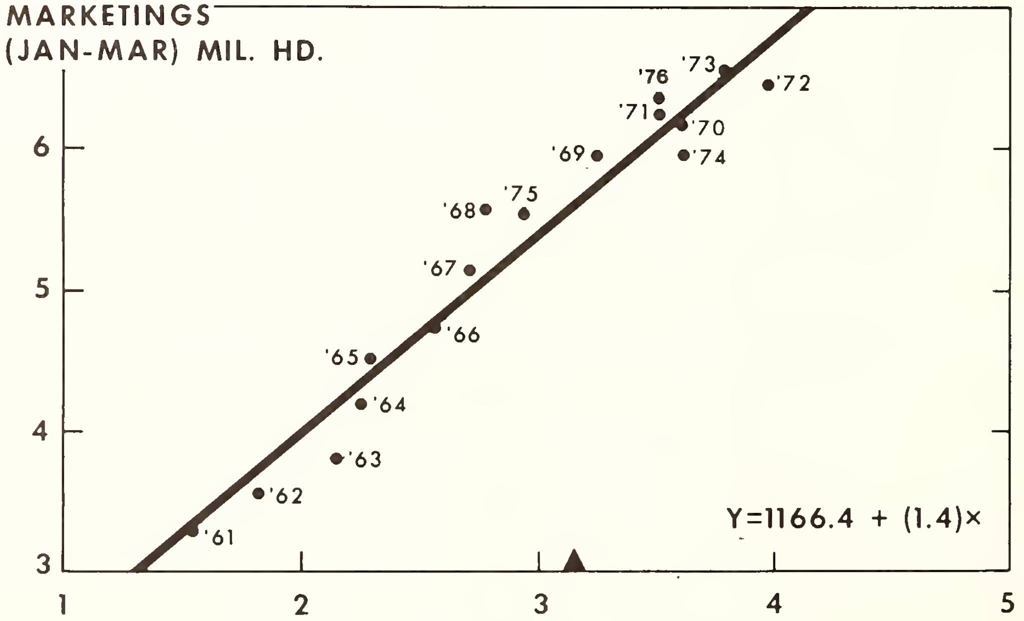


CATTLE ON FEED OCT 1, (STEERS 900 LB. + AND HEIFERS 700 LB. +)

USDA

NEG. ERS 2337 - 76(II)

CATTLE ON FEED AND MARKETINGS, 23 STATES



CATTLE ON FEED, OCT 1 PREVIOUS YR. (STEERS 700 - 900 LB. AND HEIFERS 500 - 700 LB.

USDA

NEG. ERS 2338 - 76(II)

HOGS

Hog slaughter under Federal inspection during the 13-week period ending November 27 exceeded slaughter for the same weeks of 1975 by 30 percent. If the current rate of slaughter is maintained—federally inspected slaughter averaged 1,635 head per week during October and November—the commercial kill for the fall quarter would total about 21½ million head, a gain of 28 percent over last year. Earlier projections, based on data contained in the September 1 Hogs and Pigs Report, placed slaughter up 16 to 17 percent. The 14 State inventory of market hogs weighing 60 to 180 pounds on September 1 was increased 18 percent from the previous year. This corresponds with the 19-percent increase reported for the March-May pig crop. Most of the fall quarter's slaughter is drawn from this weight group.

A partial explanation of the larger than expected slaughter is an apparent move to market an increasing number of gilts. Trade sources indicate that gilt slaughter as a percentage of total barrow and gilt slaughter during September and October increased both seasonally and in relation to 1975. Also, a different marketing pattern may be emerging with butcher hogs reaching market weight after less time on feed. This would initially result in increased slaughter, but would not explain in total the larger supplies.

The implications of the developing slaughter pattern are that the producer response to the very favorable returns in 1975, as reflected in the 1976 spring pig crop, was greater than previously thought. Also, the resulting price weakness may have set the stage for a turn in the production cycle. Sow slaughter during September increased only 2 percent over September last year, and as a percent of total slaughter trailed 1975 by one percentage point. Total hog slaughter during Sep-

Table 4—Pork supplies and prices

Year	Estimated commercial slaughter[1]				Average dressed weight	Commercial production	Per capita consumption[2]	Prices		
	Barrows and gilts	Sows	Boars	Total				Retail	Barrows and gilts 7 markets	Farm
	1,000 head				*Lb.*	*Mil lb.*	*Lb.*	*Cents per lb.*	*$/cwt.*	*$/cwt.*
1971: I ...	22,812	1,270	174	24,256	151	3,671	18.3	69.2	17.60	17.10
II ...	21,938	1,452	220	23,610	156	3,678	17.8	68.8	17.33	16.80
III ...	20,524	1,570	214	22,308	154	3,441	18.0	71.3	19.27	18.47
IV ...	22,499	1,563	202	24,264	157	3,816	18.9	71.9	20.06	19.33
Year	87,773	5,855	810	94,438	155	14,606	73.0	70.3	18.45	17.92
1972: I ...	21,029	1,053	178	22,260	157	3,503	17.7	79.0	24.67	23.90
II ...	20,055	1,135	199	21,389	158	3,386	16.6	79.9	25.00	24.33
III ...	17,943	1,305	193	19,441	158	3,064	15.8	86.1	28.85	27.87
IV ...	19,944	1,495	178	21,617	162	3,507	17.3	87.7	28.89	27.93
Year	78,971	4,988	748	84,707	159	13,460	67.4	83.2	26.67	26.00
1973: I ...	18,949	1,080	195	20,224	161	3,262	16.0	98.1	35.63	34.50
II ...	18,274	998	206	19,478	163	3,178	15.4	103.1	36.82	35.90
III ...	15,482	1,190	203	16,875	165	2,791	14.0	121.8	49.04	47.13
IV ...	18,842	1,195	181	20,218	166	3,347	16.2	116.1	40.96	39.87
Year	71,547	4,463	785	76,795	164	12,578	61.6	109.8	40.27	39.35
1974: I ...	18,887	1,075	187	20,149	168	3,378	16.7	115.2	38.40	38.13
II ...	19,659	1,174	181	21,014	168	3,531	17.2	99.3	28.00	27.03
III ...	17,699	1,802	204	19,705	165	3,243	16.1	107.4	36.59	34.63
IV ...	19,124	1,588	182	20,894	164	3,431	16.6	111.0	39.06	37.40
Year	75,369	5,639	754	81,762	166	13,583	66.6	108.2	35.12	34.30
1975: I ...	17,711	886	162	18,759	162	3,044	15.0	114.4	39.35	38.43
II ...	16,704	939	165	17,808	164	2,923	14.1	123.1	46.11	43.93
III ...	14,151	1,003	153	15,307	164	2,512	12.3	149.2	58.83	56.20
IV ...	15,659	982	172	16,813	169	2,835	13.4	153.4	52.20	51.63
Year	64,225	3,810	652	68,687	165	11,314	54.8	135.0	48.32	47.55
1976: I ...	16,605	694	133	17,432	166	2,895	14.0	141.5	47.99	46.97
II ...	15,960	718	141	16,819	165	2,782	13.2	138.5	49.19	47.87
III ...	16,873	964	147	17,984	164	2,953	14.1	137.4	43.88	43.33
IV[3]...	19,975	1,350	175	21,500	167	3,600	16.9	120.0	33.00	32.00
Year										

[1] Classes estimated. [2] Total including farm production. [3] Forecast.

tember was one fifth larger. October sow slaughter under Federal inspection was 21 percent larger than in 1975 and sows accounted for approximately the same percent of the total kill. Weekly receipts of sows at seven terminal markets during November totaled from 30 to 60 percent larger and accounted for a 1 to 2 percentage point increase in the share of total receipts.

While not conclusive, the data pointing to increased sow and gilt slaughter suggest that growth in the breeding herd may have been checked. Year-to-year increases in the number of sows farrowing are likely to continue through the spring quarter of 1977. However, farrowings for the summer quarter are expected to represent a cutback from June-August of this year.

Given the buildup indicated by the September report, that is an increase in the June-August pig crop of around 20 percent while farrowings for the fall and winter quarters may be limited to about 15 and 10 percent, respectively, hog prices on a quarterly average should reach their low point for this production cycle during the current quarter.

A summary of 1976 estimates of supply and prices has hog slaughter for the year just under 74 million head, a 7-percent increase. Total commercial output at 12.2 billion pounds of pork will represent an 8-percent increase in supply. With prices during the fall quarter expected to average around $33 per hundredweight, the annual average may slip about $5 below the $48 recorded for 1975. Still, this would be only the second year slaughter hog prices have averaged above $40.

Sharp Gains in Pork Production to Continue Through Mid-1977

Pork production during the winter quarter of 1977 could increase by a fourth over January-March of this year. Pigs farrowed this summer—the June-August pig crop—will supply most of the quarter's slaughter hogs. While data for the United States will not be available until December 22, the 14 State survey conducted September 1 indicated a 21-percent increase in the summer pig crop. If the producer response for all States approximates that of the 14—the 14 States accounted for 85 percent of all hogs and pigs on June 1—this pig crop could total near 22 million head.

A parallel can be drawn between 1977 and similar years in previous production cycles. In 1971 and in 1968, years which followed the initial buildup in hog numbers, more than 95 percent of the estimated summer pig crop moved to slaughter during the winter quarter. If repeated, this suggests a slaughter of 21 to 21½ million head this winter.

Following the steep slide in hog prices this summer, feeder pig finishing operations have done well to recover out-of-pocket costs. For farrow-to-finish operations, a positive return to capital and management is unlikely for the duration of the expansion phase of this cycle. Thus, with weaning of the fall pig crop, sows will likely move to slaughter in increasing numbers rather than being retained in the breeding herd. This could hold average slaughter weights relatively high. Commercial output of pork for the January-March quarter may reach 3.6 billion pounds, second only to the winter production total of 1971.

Prices will continue under pressure. Prospects for a stronger hog market early next year may well hinge on how rapidly cattle feedlot inventories are turned. If heavy yearling cattle account for a substantial percentage of feedlot placements this fall and placements continue near the year earlier, beef supplies could be somewhat larger than currently anticipated by late winter. With at best a small quarter-to-quarter reduction in pork supplies, little price recovery is anticipated.

During the spring quarter the annual rate of increase in pork production should slow, while seasonally output may be reduced 5 to 7 percent. If intentions calling for a 16-percent increase in September-November farrowings materialize, the fall quarter pig crop could total near 21 million head. Judging from the pattern set in previous expansion years, slaughter for April-June could then run about 20 million head, an increase near 20 percent.

Retail demand for pork is normally weakest during the spring quarter. While available supplies of pork may be reduced seasonally, retail price gains during the quarter are expected to be moderate. Curtailed movement of slaughter stock should, however, strengthen live prices relative to the retail market. With the implied narrowing of the gross marketing spread, live prices could average in the mid-$30 range. On a monthly basis, prices could come under considerable pressure during March or April with market receipts likely at peak volume. Prices may slip to around $30 per hundredweight and would likely represent the yearly low.

Increases In Production To Slow in Second Half

Results of the September 1 producer survey point to a 9-percent increase in the number of sows to farrow during December through February of next year. These sows were bred between August and October. Our budget data indicate that losses incurred during the 2 months following the survey ranged from $8 to $14 per hundredweight (feed costs were determined at the beginning of the feeding period). While grain prices softened during harvest, lower hog prices continue to make hog feeding unprofitable. Prospects for a seasonally stronger grain market following completion of the harvest should deter hog producers from greater expansion.

The December Hogs and Pigs Report will provide an update on planned expansion for the winter quarter and will give the first indications of farrowing intentions for the spring quarter. With feed costs established at the time of feeder pig purchases (see Corn Belt hog feeding table) budget calculations suggest marketings of slaughter hogs during November through January may result in losses up to $10 per cwt. when total costs are considered. Recovery of feed and feeder pig costs is unlikely before January. Initially, farrow-to-finish operations are expected to cover only variable costs. Sows to farrow next spring will be bred during these months.

Much of the Nation's hog production is concentrated in the Corn Belt States, and many of the individual producers are diversified with grain production for the cash market an alternative to livestock. For these individuals, corn priced at the farm in excess of $2.25 per bushel should prove more attractive than finishing feeder pigs. Only those producers who have committed themselves to a substantial fixed investment and who operate on a relatively small variable cost basis are likely to continue to expand.

Farrowings during the spring quarter of 1977 may show a moderate year-to-year gain. For the first half pig crop, an increase of perhaps 5 percent would follow.

Hog slaughter next summer—drawn primarily from the winter quarter pig crop—would be reduced seasonally while year-to-year gains may be limited to 10 percent or less. The gain in slaughter from summer to fall would be much less than the 20-percent increase anticipated for 1976. Fourth quarter 1977 slaughter could be near or slightly below the current quarter's total.

Comments on Industry Structure

The growth in size of enterprise among hog producers appears to have increased quite rapidly in the last 5 years. The 1974 Census of Agriculture likely will show a relatively high concentration of production among the large hog farms as compared with the 1964 and 1969 census periods. As an example, a Missouri study (Kesler et al.) revealed that nationally some 650-700 large producers who market 5,000 head or more annually sell about 5 million slaughter hogs each year. This is equal to about 7 percent of the 1975 commercial slaughter in the United States. The Missouri study reported that lack of available labor, high capital investments in building and equipment, uncertainty of returns, and the high cost of other production inputs were among the most important constraints on expansion. Concern with respect to present or potential regulations by the Environmental Protection Agency, the Food and Drug Administration, and other Federal agencies seemed to be in the background.

There are many reasons for an increase in the size of hog enterprises. For one thing, small producers are generally the older farmers who have been using the less sophisticated facilities and who are gradually moving out of business. Their farms are usually absorbed by neighboring farms to make a larger land base. If hog production is continued, use is seldom made of the old facilities. A shift is made to confinement facilities, which usually typify a much larger hog operation. These adjustments increase capital requirements significantly.

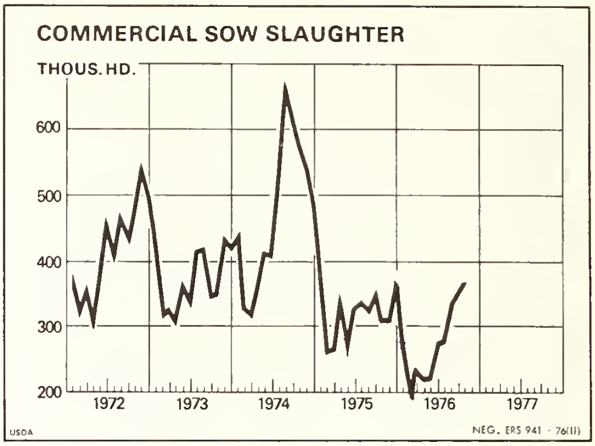
Another factor causing fewer but larger hog enterprises is the lack of incentive to retain small hog enterprises and contend with the demanding day-to-day work that is involved.

It is estimated that as many as one-third of all slaughter hogs in the United States now move through total confinement facilities. As new and/or larger operations go into business, facilities are almost always of the confinement type. Such facilities permit year-round production without significant influence from the weather as well as a high level of mechanization of material handling. Also, there is relatively little risk of violating environmental control regulations. All activities are under roof and not exposed to rainfall.

A larger percentage of confinement is used in the Southeastern United States than in the Corn Belt. Hog enterprises are a relatively new introduction in the Southeast. They tend to be established at a relatively large size in order to make maximum use of new technology.

An increasing portion of hogs produced in confinement increases the rigidity of supply. There is less reason for the typical seasonal variations resulting from hogs produced on pasture in spring and fall to complement crop production. Also, a relatively higher proportion of the cost falls into the fixed, as opposed to the variable, category and producers will tend to stay in business over wider swings in hog prices.

One development on the horizon may signal a significant structural change in hog production. University of Illinois swine specialist, G. R. Carlisle, has reported on this new development. Some farmers use the grain that they produce to finish hogs for slaughter market, but prefer to have the flexibility offered by having the investment in feeder pig production facilities on a location other than on their own farm. This has resulted in substantial development of feeder pig cooperatives. Illinois reports there are presently some 150-200 feeder pig cooperatives in the United States. About 10 new ones were reported in Illinois during 1976. Performance is somewhat better in the farrowing setups owned by these feeder pig cooperatives than on the typical farm. They average about 400 sows each and the pigs produced in them go back to the farmer members for finishing. This is a form of integration, but is farmer controlled. In a few instances, feed companies have been involved in these activities.


COMMERCIAL SOW SLAUGHTER

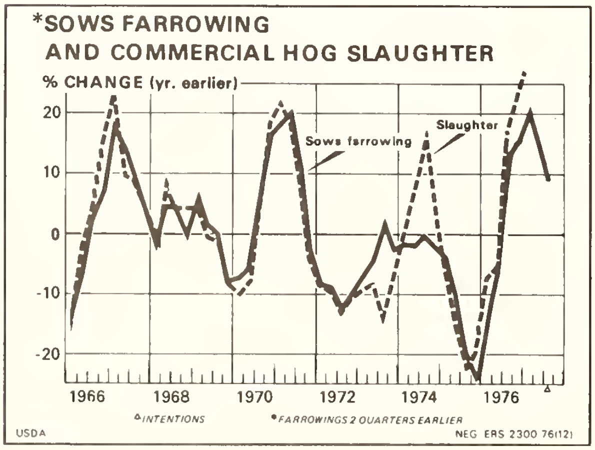
Hog prices per 100 pounds, 7 markets[1]

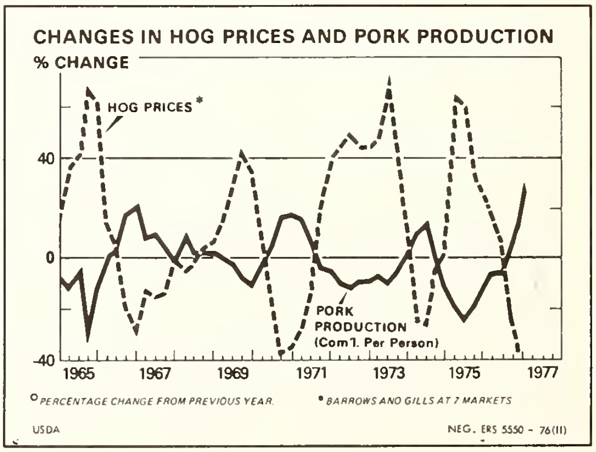
Month	Barrows and gilts			Sows		
	1974	1975	1976	1974	1975	1976
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*	*Dol.*
Jan.	40.59	38.93	48.40	33.93	35.01	40.48
Feb.	39.73	39.61	48.85	34.21	36.52	44.03
Mar.	34.88	39.52	46.71	31.42	36.58	42.24
Apr.	30.52	40.69	47.89	26.60	37.00	42.88
May	26.09	46.44	48.89	21.52	41.12	43.20
June	27.40	51.19	50.80	21.37	44.28	43.21
July	36.31	57.17	48.26	28.12	49.74	40.83
Aug.	37.67	58.10	44.00	29.76	51.89	37.98
Sept.	35.79	61.23	39.39	29.04	54.56	33.81
Oct.	38.90	58.52	32.66	33.42	51.94	26.87
Nov.	38.34	49.74	32.05	33.57	42.25	23.64
Dec.	39.93	48.33		33.78	38.50	
Av.	35.12	48.32		29.92	43.65	

[1] Average for all weights at Midwest markets.

Hog-corn price ratio, Omaha basis

Month	1972	1973	1974	1975	1976
January	19.7	21.5	14.8	12.6	18.6
February ...	20.6	23.3	13.4	14.1	18.6
March	19.0	25.4	12.5	14.3	17.7
April	18.2	23.4	12.1	14.1	18.3
May	19.7	19.5	10.2	16.4	17.7
June	21.5	16.9	10.0	17.9	17.6
July	22.8	19.9	11.2	19.4	16.8
August	23.5	20.8	10.5	18.6	16.2
September ..	22.6	18.4	10.3	20.7	15.1
October	21.8	17.8	10.6	21.2	13.7
November ..	20.6	16.9	11.0	19.4	14.4
December ..	20.5	15.7	11.8	18.5	
Average ...	20.6	19.3	11.3	16.9	


*SOWS FARROWING AND COMMERCIAL HOG SLAUGHTER


CHANGES IN HOG PRICES AND PORK PRODUCTION

Federally Inspected Hog Slaughter

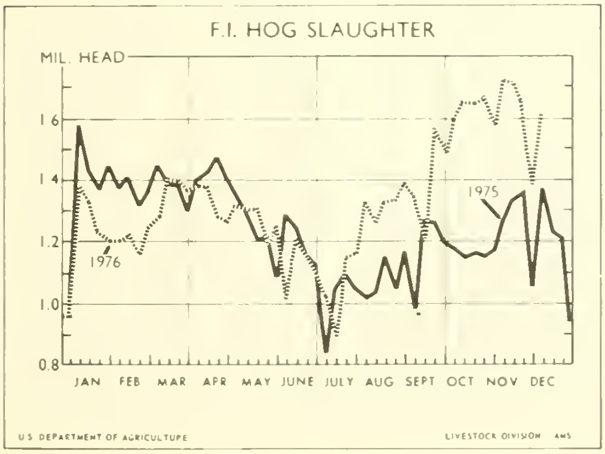
Week ended 1976[1]	1973	1974	1975	1976
	Thou.	*Thou.*	*Thou.*	*Thou.*
Jan. 10 ..	1,559	1,566	1,588	1,409
17	1,527	1,577	1,432	1,326
24	1,555	1,598	1,385	1,227
31	1,342	1,328	1,450	1,203
Feb. 7 ...	1,488	1,185	1,424	1,208
14	1,471	1,541	1,419	1,234
21	1,372	1,403	1,340	1,168
28	1,525	1,564	1,352	1,255
Mar. 6 ...	1,542	1,554	1,453	1,273
13	1,522	1,555	1,395	1,422
20	1,596	1,493	1,393	1,403
27	1,354	1,637	1,315	1,383
Apr. 3 ...	1,430	1,589	1,404	1,388
Apr. 10 ..	1,352	1,519	1,439	1,387
17	1,441	1,602	1,478	1,290
24	1,454	1,515	1,401	1,271
May 1 ...	1,612	1,547	1,368	1,321
May 8 ...	1,561	1,678	1,301	1,309
15	1,412	1,534	1,221	1,316
22	1,433	1,626	1,221	1,197
29	1,263	1,392	1,101	1,257
June 5 ..	1,397	1,621	1,294	1,038
12	1,378	1,596	1,254	1,199
19	1,282	1,343	1,163	1,155
26	1,319	1,285	1,132	1,103
July 3 ...	1,016	984	853	1,024
July 10 ..	1,155	1,313	1,061	941
17	1,037	1,242	1,100	1,159
24	1,306	1,326	1,055	1,181
31	1,267	1,476	1,027	1,265
Aug. 7 ..	1,343	1,443	1,051	1,342
14	1,214	1,454	1,157	1,344
21	1,127	1,377	1,057	1,332
28	1,116	1,482	1,169	1,401
Sept. 4 ..	1,107	1,347	996	1,350
11	1,303	1,628	1,267	1,227
18	1,467	1,622	1,258	1,579
25	1,469	1,600	1,198	1,508
Oct. 2 ...	1,451	1,585	1,188	1,593
Oct. 9 ...	1,529	1,602	1,159	1,647
16	1,439	1,541	1,193	1,660
23	1,309	1,491	1,163	1,669
30	1,518	1,475	1,194	1,599
Nov. 6 ..	1,519	1,583	1,275	1,729
13	1,561	1,574	1,336	1,706
20	1,243	1,594	1,376	1,648
27	1,584	1,305	1,069	1,385
Dec. 4 ...	1,576	1,654	1,372	1,620
11	1,426	1,574	1,237	
18	1,509	1,492	1,219	
25	1,088	1,015	949	
Jan. 1 ...	1,203	1,014	970	

[1] Corresponding dates: 1973, January 13; 1974, January 12; 1975, January 11.

Gross hog feeding margins per head[1]

Year	Hogs 7 markets	Feeder pigs So. Missouri	Margins
	$ per head	*$ per head*	*$ per head*
1974			
January	89.30	36.75	52.55
February	87.41	38.25	49.16
March	76.74	37.10	39.64
April	67.14	32.33	34.81
May	57.40	34.70	22.70
June	60.28	33.25	27.03
July	79.88	32.50	47.38
August	82.87	32.18	50.69
September	78.74	22.10	56.64
October	85.58	17.31	68.27
November	84.35	20.31	64.04
December	87.85	19.44	68.41
1975			
January	85.65	18.75	66.90
February	87.14	24.10	63.04
March	86.94	21.13	65.81
April	89.52	25.75	63.77
May	102.17	30.10	72.07
June	112.62	35.75	76.87
July	125.77	39.75	86.02
August	127.82	43.05	84.77
September	134.71	44.00	90.71
October	128.74	44.65	84.09
November	109.43	44.10	65.33
December	106.33	46.75	59.58
1976			
January	106.48	59.81	46.67
February	107.47	56.55	50.92
March	102.76	48.94	53.82
April	105.36	44.19	61.17
May	107.56	48.38	59.18
June	111.76	50.16	61.60
July	106.17	48.80	57.37
August	96.80	51.28	45.52
September	86.66	44.57	42.09
October	71.85	38.85	33.00
November	70.51	30.45	40.06
December			

[1] Current 220 lb. Slaughter Hog compared with a 40-50 lb. Feeder Pig purchased 4 months earlier.



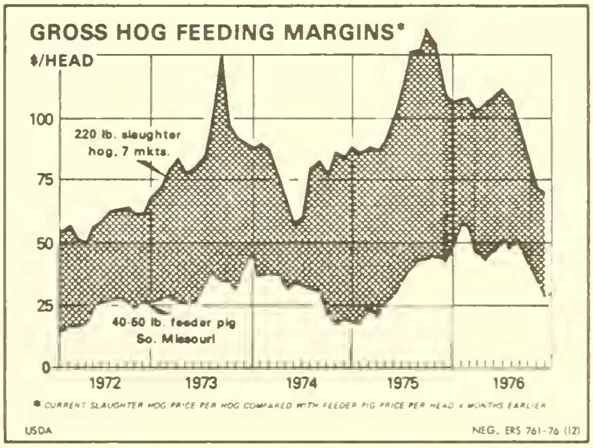


Table 5—Corn Belt Hog Feeding[1]

Selected costs at current rates[2]

Purchased during Marketed during	Aug. Dec.	Sept. Jan. 76	Oct. Feb.	Nov. Mar.	Dec. Apr.	Jan. 76 May	Feb. June	Mar. July	Apr. Aug.	May Sept.	June Oct.	July Nov.	Aug. Dec.	Sept. Jan. 77	Oct. Feb.	Nov. Mar.
	Dollars per head	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*
Expenses:																
40 lb. feeder pig	46.75	59.81	56.55	48.94	44.19	48.38	50.16	48.80	51.28	44.57	38.85	30.45	31.02	27.69	21.75	21.17
Corn (11 bu.)	32.56	30.36	28.16	25.52	25.74	26.62	27.28	27.50	27.06	29.04	30.25	31.13	28.82	28.82	25.30	22.22
Protein supplement (130 lb.)	13.72	13.91	13.78	13.13	13.39	13.52	13.58	13.65	13.65	14.30	17.16	18.07	16.51	17.42	15.92	16.51
Labor & management (1.3 hrs.)	5.69	5.69	6.37	6.37	6.37	6.37	6.66	6.66	6.66	6.71	6.71	6.71	6.21	6.21	6.21	6.40
Vet medicine[3]	1.51	1.53	1.53	1.53	1.53	1.53	1.54	1.55	1.55	1.55	1.57	1,58	1.57	1.57	1.56	1.56
Interest on purchase (4 mo.)	1.48	1.86	1.79	1.47	1.33	1.45	1.50	1.46	1.54	1.34	1.17	.91	.93	.83	.65	.64
Power, equip, fuel, shelter, depreciation[3]	3.68	3.72	3.71	3.71	3.73	3.72	3.74	3.76	3.78	3.78	3.82	3.83	3.82	3.81	3.79	3.78
Death loss (4% of purchase)	1.87	2.39	2.26	1.96	1.77	1.94	2.01	1.95	2.05	1.78	1.55	1.22	1.24	1.11	.87	.85
Transportation (100 miles)	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48
Marketing expenses	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Miscellaneous & indirect costs[3]	.38	.38	.38	.38	.38	.38	.38	.38	.39	.39	.39	.39	.39	.39	.39	.39
Total	109.26	121.27	116.15	104.63	100.05	105.53	108.47	107.33	109.58	105.08	103.09	95.91	92.13	89.47	78.06	75.14
	Dollars per cwt.	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*
Selling price/cwt. required to cover feed and feeder costs (220 lb.)	42.29	47.31	44.77	39.81	37.87	40.24	41.37	40.89	41.81	39.96	39.21	36.20	34.70	33.60	28.62	27.23
Selling price/cwt. required to cover all costs (220 lb.)	49.66	55.12	52.80	47.56	45.48	47.97	49.30	48.79	49.81	47.76	46.86	43.60	41.88	40.67	35.48	34.15
Feed cost per 100 lb. gain	25.71	24.59	23.30	21.47	21.74	22.30	22.70	22.86	22.62	24.08	26.34	27.33	25.18	25.69	22.90	21.52
Barrows and gilts 7 markets/cwt.	48.33	48.40	48.85	46.71	47.89	48.89	50.80	48.26	44.00	39.39	32.66	32.05				
Net margin/cwt.	-1.33	-6.72	-3.95	-.85	+2.41	+.92	+1.50	-.53	-5.81	-8.37	-14.20	-11.55				
Prices:																
40 lb. feeder pig (So. Missouri)	46.75	59.81	56.55	48.94	44.19	48.38	50.16	48.80	51.28	44.57	38.85	30.45	31.02	27.69	21.75	21.17
Corn[4]/(bu.)	2.96	2.76	2.56	2.32	2.34	2.42	2.48	2.50	2.46	2.64	2.75	2.83	2.62	2.62	2.30	2.02
38-42% protein supp.[5]/cwt.	10.55	10.70	10.60	10.10	10.30	10.40	10.45	10.50	10.50	11.00	13.20	13.90	12.70	13.40	12.25	12.70
Labor and management[6]/hr.	4.38	4.38	4.90	4.90	4.90	4.90	5.12	5.12	5.12	5.16	5.16	5.16	4.78	4.78	4.78	4.92
Interest rate (annual)	9.50	9.50	9.50	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Transportation rate/cwt. 100 miles)[7]	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses[8]	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Index of prices paid by farmers (1910-14=100)	639	645	644	644	647	645	649	652	656	656	663	665	663	662	658	657

[1] Although a majority of hog feeding operations in the Corn Belt are from farrow to finish, relative fattening expenses will be similar.
[2] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation.
[3] Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates.
[4] Average price received by farmers in Iowa and Illinois.
[5] Average prices paid by farmers in Iowa and Illinois.
[6] Assumes an owner-operator receiving twice the farm labor rate.
[7] Converted to cents/cwt. from cents/mile for a 44,000 pound haul.
[8] Yardage plus commission fees at a midwest terminal market.

SHEEP AND LAMBS

There were 1,147 thousand sheep and lambs on feed in the 7 major feeding States surveyed on November 1. This was an increase of 3 percent from the number being readied for slaughter a year earlier. The November 1 inventory was the second lowest since the 7-State series began in 1960 and showed only the first increase over the previous year since 1971.

Six States registered increases over a year earlier—varying from 6 percent in California and Iowa to 14 percent in South Dakota. Texas feeders reported a decline of 24 percent.

There are a number of factors to consider when attempting to account for the fewer number of lambs on feed in Texas. Much needed moisture in August and September improved pasture conditions and slowed the movement of lambs onto feed. Also, lambs coming off the western slopes sorted a high percentage of fat lambs. The resulting deficit feeder lamb supply in Colorado is believed to have been offset by movement of lambs from Texas. Texas feeder lambs also moved into feedlots in Kansas. Finally, the lambing rate in Texas dropped from 88 lambs per 100 ewes in 1975 to 74 lambs in 1976. The 1976 lamb crop was 18 percent smaller.

The inventory of lambs on feed by weight groups shows the 80 pounds and over group

Table 6— Lamb supplies and prices

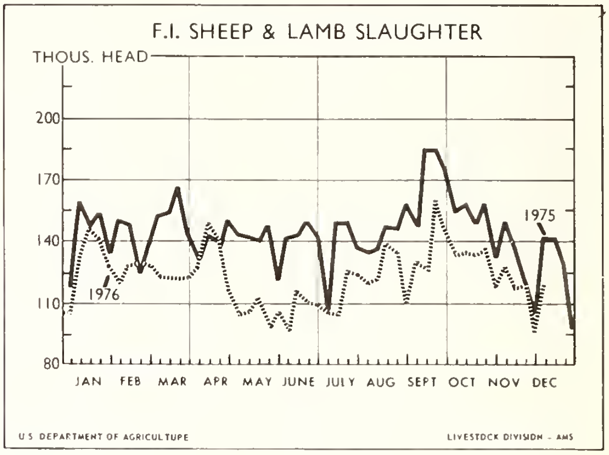
	Commercial slaughter[1]			Average dressed weight	Commercial production	Per capita consumption[2]	Prices			
	Lambs and yearlings	Sheep	Total				Retail	San Angelo		Farm
								Choice slaughter	Choice feeder	
	1,000 head	*1,000 head*	*1,000 head*	*Lb.*	*Mil. lb.*	*Lb.*	*Cents per lb.*	*Dollars per/cwt.*	*Dollars per/cwt.*	*Dollars per/cwt.*
1971										
I	2,586	140	2,726	54	145	0.8	106.5	25.41	25.60	24.17
II	2,365	265	2,630	51	133	.8	108.3	29.60	26.62	27.30
III	2,424	247	2,671	49	129	.8	111.8	27.63	25.13	26.80
IV	2,497	206	2,703	51	137	.7	112.2	26.00	26.11	25.33
Year	9,872	858	10.730	51	544	3.1	109.7	27.16	25.86	25.90
1972										
I	2,544	116	2,660	54	142	.8	114.6	29.29	29.44	27.93
II	2,330	170	2,500	52	130	.9	116.9	32.92	31.45	29.90
III	2,328	202	2,530	49	124	.9	121.2	31.42	29.71	30.23
IV	2,396	214	2,610	53	137	.7	122.6	29.18	30.36	28.17
Year	9,598	702	10,300	52	533	3.3	118.8	30.70	30.24	29.10
1973										
I	2,240	76	2,316	54	126	.7	130.6	38.65	38.70	35.70
II	2,164	205	2,369	54	127	.7	134.0	38.22	37.37	34.97
III	2,237	305	2,542	51	128	.7	139.7	38.36	35.90	36.77
IV	2,116	254	2,370	52	123	.6	132.7	37.55	36.69	33.90
Year	8,757	840	9,597	53	504	2.7	134.3	38.20	37.17	35.10
1974										
I	2,082	108	2,190	54	119	.6	137.6	40.21	39.52	38.17
II	1,972	140	2,112	52	109	.6	139.7	45.22	40.21	40.43
III	2,214	199	2,413	49	118	.6	152.3	38.85	31.53	36.20
IV	1,991	141	2,132	51	108	.5	153.3	37.76	34.81	34.83
Year	8,259	588	8,847	51	454	2.3	145.7	40.51	36.52	37.00
1975										
I	1,879	65	1,944	52	101	.5	155.9	41.15	37.64	38.17
II	1,773	152	1,925	50	96	.5	163.9	46.78	42.11	44.50
III	1,922	169	2,091	50	104	.5	174.7	43.17	40.08	41.17
IV	1,681	194	1,875	52	98	.5	176.2	46.69	45.78	44.37
Year	7,255	580	7,835	51	399	2.0	167.6	44.45	41.40	42.10
1976										
I	1,647	69	1,716	55	95	.5	179.3	51.50	51.46	48.07
II	1.423	138	1,561	52	81	.4	188.2	58.63	56.94	55.30
III	1,654	124	1,778	52	93	.5	188.1	43.77	47.32	43.37
IV[3]	1,595	105	1,700	53	90	.5	185.0	45.00	48.00	42.50
Year										

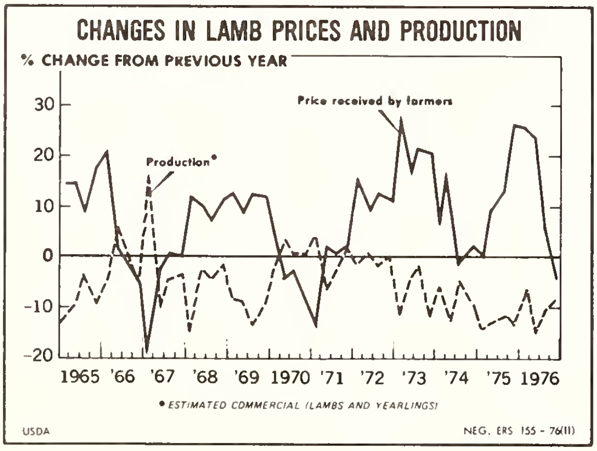
[1] Classes estimated. [2] Total including Farm Production. [3] Forecast.

equal to 1975. With the climax of the milkfat marketing season, slaughter marketings late this year and early next year should hold near the year-earlier level. Lambs weighing from 70 to 80 pounds should move to slaughter during December and January. This inventory group was 20 percent larger. Those under 70 pounds numbered 21 percent fewer and will move to slaughter during the winter quarter. The early lamb crop will supplement winter slaughter supplies as will lambs currently foraging on crop residue. Slaughter during the fall quarter may total near 1.7 million head, about 3 percent fewer than in 1975. A reduction of perhaps 5 percent in slaughter numbers is expected during January-March.

1977 Slaughter May Hold Near Year Earlier

The January 1, 1976, inventory of sheep and lambs numbered 8 percent fewer than on that date the previous year. Slaughter during the year may be reduced by 14 percent. The greater reduction in slaughter lends weight to speculation that the January 1, 1977, ewe inventory could show a small increase. While the total inventory may be reduced by 4 to 6 percent, a larger breeding flock could hold 1977 slaughter near this year's 6.7 million head.





Choice lamb prices per 100 pounds, San Angelo

Month	Slaughter lambs			Feeder lambs		
	1974	1975	1976	1974	1975	1976
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*	*Dol.*
Jan.	39.50	38.25	49.25	39.55	34.12	48.38
Feb.	40.75	39.31	49.00	38.12	35.31	49.69
Mar.	40.38	45.88	56.25	40.88	43.50	56.30
Apr.	42.25	46.65	62.95	41.56	43.65	62.71
May	47.15	47.62	62.12	42.00	43.00	59.56
June	46.25	46.06	50.81	37.08	39.69	48.56
July	37.94	45.25	47.81	31.25	40.25	49.38
Aug.	42.50	40.75	40.62	32.58	38.75	45.94
Sept.	36.12	43.50	42.88	30.75	41.25	46.65
Oct.	36.44	44.50	45.56	31.75	42.62	47.31
Nov.	37.58	46.83	45.83	36.25	46.33	49.67
Dec.	39.25	48.75		36.42	48.38	
Av.	40.51	44.45		36.52	41.40	

MEAT CONSUMPTION AND PRICES

Commercial red meat production during October-December is expected to total nearly 10.3 billion pounds, which would push it above the summer quarter and make it 9 percent larger than the fourth quarter of last year. Total commercial red meat output for 1976 would increase to nearly 39 billion pounds, up 8 percent from 1975 and 4 percent above the previous 1971 record.

Per capita red meat consumption in October-December will likely be near 50 pounds, the largest quarterly total of the year. Red meat consumption in 1976 could reach 193 pounds per person, compared with 181 pounds last year and the previous record of 191.8 pounds in 1971.

Retail meat prices during October-December are expected to average at about the same or slightly below last summer and 10 percent under 1975's fall level. The Bureau of Labor Statistics' (BLS) retail meat price index for 1976 will probably be near or slightly above 1975's level. Retail meat prices during the first half of 1976 averaged 9 percent above year-earlier levels, while second half prices are expected to average 9 percent below 1975 prices.

Retail beef prices have been trending lower for 16 months. In October, the average retail price per pound of Choice grade beef was 17 percent below its July 1975 peak. Retail beef prices by

Table 7— Per capita meat consumption by quarters[1]

Year	Carcass weight					Retail weight				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
	Pounds	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*
Beef										
1971	27.7	28.1	29.3	27.9	113.0	20.5	20.8	21.7	20.6	83.6
1972	28.2	28.9	29.4	29.6	116.1	20.9	21.4	21.7	21.9	85.9
1973	28.0	26.2	26.8	28.6	109.6	20.7	19.4	19.8	21.2	81.1
1974	28.3	28.8	29.4	30.3	116.8	20.9	21.3	21.8	22.4	86.4
1975	30.3	28.4	30.2	31.2	120.1	22.4	21.0	22.4	23.1	88.9
1976[2]	32.7	31.2	33.3	31.8	129.0	24.2	23.1	24.7	23.5	95.5
1977										
Veal										
1971	.7	.6	.7	.7	2.7	.6	.5	.5	.6	2.2
1972	.6	.5	.5	.6	2.2	.5	.4	.4	.5	1.8
1973	.5	.4	.4	.5	1.8	.5	.3	.3	.4	1.5
1974	.5	.4	.6	.8	2.3	.4	.3	.5	.7	1.9
1975	.9	.9	1.2	1.2	4.2	.8	.8	1.0	1.0	3.6
1976[2]	1.1	.8	1.0	.8	3.7	.9	.7	.8	.7	3.1
1977										
Pork										
1971	18.3	17.8	18.0	18.9	73.0	17.0	16.6	16.7	17.6	67.9
1972	17.7	16.6	15.8	17.3	67.4	16.5	15.4	14.7	16.1	62.7
1973	16.0	15.4	14.0	16.2	61.6	14.9	14.3	13.0	15.1	57.3
1974	16.7	17.2	16.1	16.6	66.6	15.5	16.0	15.0	15.4	61.9
1975	15.0	14.1	12.3	13.4	54.8	14.0	13.1	11.4	12.5	51.0
1976[2]	14.0	13.2	14.1	16.9	58.2	13.0	12.3	13.1	15.7	54.1
1977										
Lamb & Mutton										
1971	.8	.8	.8	.7	3.1	.7	.7	.7	.7	2.8
1972	.8	.9	.9	.7	3.3	.7	.8	.8	.6	2.9
1973	.7	.7	.7	.6	2.7	.7	.6	.6	.5	2.4
1974	.6	.6	.6	.5	2.3	.5	.5	.5	.5	2.0
1975	.5	.5	.5	.5	2.0	.5	.4	.4	.5	1.8
1976[2]	.5	.4	.5	.5	1.9	.5	.4	.4	.4	1.7
1977										
Red Meat										
1971	47.5	47.3	48.8	48.2	191.8	38.8	38.6	39.6	39.5	156.5
1972	47.3	46.9	46.6	48.2	189.0	38.6	38.0	37.6	39.1	153.3
1973	45.2	42.7	41.9	45.9	175.7	36.8	34.6	33.7	37.2	142.3
1974	46.1	47.0	46.7	48.2	188.0	37.3	38.1	37.8	39.0	152.2
1975	46.7	43.9	44.2	46.3	181.1	37.7	35.3	35.2	37.1	145.3
1976[2]	48.3	45.6	48.9	50.0	192.8	38.6	36.5	39.0	40.3	154.4

[1] Total consumption including farm, 50 States. [2] IV quarter forecast.

cuts demonstrate some of this shift in cattle slaughter. For example, the October average price for hamburger was 85.7 cents per pound, 5 percent below the 1975 price. The average retail price of porterhouse steak was $2.32 per pound, 13 percent below last year's price. This larger decline is partly the result of the decrease in nonfed cattle and cow slaughter from year-earlier levels and the resulting shift to more fed beef. Beef production could decline 6 percent in the first half of next year compared with the first half of 1976 (see Cattle Section for details). The composition of the beef supply would reflect the anticipated decrease in nonfed steer and heifer and cow slaughter. It is possible that per capita beef consumption could be down by 3 to 4 pounds per person during January-June 1977, compared with the same period of 1976.

Pork production has increased this fall as a result of both seasonal and cyclical movements. The October composite retail price per pound of pork was $1.25, down 6 percent from September and down almost 21 percent from a year ago. Fourth quarter retail pork prices will likely average near or a little below the October level. If so, retail pork prices for 1976 will average near or just under 1975's level. The decline in fourth quarter prices is expected to offset the higher prices of the first three quarters. Pork's prospects for the first half of 1977 point to increased production and consumption with lower retail prices when compared to the first half of this year. Per capita pork consumption during January-June 1977 could increase by 4 to 5 pounds.

Demand for Red Meat Strong

Consumers continued to demonstrate a strong preference for meat this year by purchasing record-large quantities at prices that were generally only slightly below year-earlier levels. Given fourth quarter meat production and consumption

Table 8—Expenditures per person and percent of income spent for red meat[1]

Year and quarter	Dispos-able income	Spent for beef[2]	Per-cent-age	Spent for pork	Per-cent-age	Spent for veal	Per-cent-age	Spent for lamb	Per-cent-age	Spent for all meat	Per-cent-age
	Dollars	*Dollars*	*Percent*	*Dollars*	*Percent*	*Dollars*	*Percent*	*Dollars*	*Percent*	*Dollars*	*Percent*
1955	1,654	42.75	2.58	33.27	2.01	4.99	0.30	2.73	0.17	83.76	5.06
1960	1,934	51.57	2.67	33.76	1.75	4.10	.21	3.11	.16	92.54	4.79
1965	2,430	58.95	2.43	35.93	1.48	3.58	.15	2.61	.11	101.07	4.16
1970	3,348	82.92	2.48	48.20	1.44	2.98	.09	3.06	.09	137.16	4.10
1971	3,588	87.11	2.43	47.74	1.33	2.98	.08	3.07	.09	140.90	3.93
1972	3,837	97.75	2.55	52.17	1.36	2.77	.07	3.45	.09	156.14	4.07
1973	4,286	109.89	2.56	62.90	1.47	2.73	.06	3.22	.08	178.74	4.17
1974											
I	1,122	30.33	2.70	17.86	1.59	.79	.07	.69	.06	49.67	4.42
II	1,145	28.65	2.50	15.89	1.39	.58	.05	.70	.06	45.82	4.00
III	1,176	30.74	2.62	16.11	1.37	.97	.08	.76	.06	48.58	4.13
IV	1,195	30.13	2.52	17.09	1.43	1.33	.11	.77	.06	49.32	4.13
Year	4,639	119.92	2.59	66.98	1.45	3.69	.08	2.91	.06	193.50	4.17
1975											
I	1,202	29.03	2.42	16.02	1.33	1.47	.12	.78	.06	47.30	3.94
II	1,276	30.76	2.41	16.13	1.27	1.46	.11	.66	.05	49.01	3.84
III	1,276	35.03	2.75	17.01	1.33	1.82	.14	.70	.06	54.56	4.28
IV	1,307	34.97	2.69	19.18	1.48	1.77	.14	.88	.07	56.80	4.37
Year	5,060	129.79	2.58	68.85	1.37	6.52	.13	3.02	.06	208.18	4.13
1976											
I	1,337	34.39	2.57	18.40	1.38	1.56	.12	.90	.07	55.25	4.13
II	1,364	32.69	2.40	17.04	1.25	1.22	.09	.75	.06	51.70	3.79
III	1,382	33.62	2.43	18.00	1.30	1.39	.10	.75	.05	53.76	3.89
IV[3]	1,410	31.72	2.25	18.84	1.34	1.19	.08	.74	.05	52.49	3.72
Year											

[1] Estimated from retail weight of consumption times average retail price. Conversion factors of 0.74 for beef, 0.93 for pork, 0.83 for veal, and 0.89 for lamb and mutton were used to adjust carcass weight consumption to retail weight consumption.

[2] Based on the average retail price of Choice grade beef and does not attempt to account for prices of other grades or the value of away-from-home consumption. [3] Forecast.

estimates, per capita consumption of red meat in 1976 will be the largest ever. The previous record was set in 1971 when 191.8 pounds per person (carcass weight) of red meat were consumed.

The composition of the meat consumed has also changed. Currently beef represents about 67 percent and pork 29 percent of the total meat consumption, while in 1971 beef accounted for 59 percent and pork 38 percent of meat consumed. Comparing the same time periods, the average retail price of beef is about 33 percent above the 1971 level, while the average retail price of pork has gone up 90 percent from 1971.

Another difference between 1976 and 1971 is the increase in broiler and turkey consumption. Currently, 1976 per capita consumption of young chickens is estimated at 41 pounds, a 3-pound increase from 1971. Turkey consumption is also expected to increase about half a pound from 1971. If the fourth quarter estimates are correct, 1976 per capita consumption of red meat, broilers, and turkey meat would be about 239 pounds.

Per capita red meat consumption for 1976, when compared with 1975, will probably have increased 6 percent, with retail prices at or slightly below year-ago levels.

This year was the second year of the current recovery in the general economy. Based on preliminary data, it appears that 1976's per capita disposable income in current dollars increased at a rate near 8 percent. This rate of increase was above the second year's average of the other seven post-World War II economic recoveries. If the general economy continues to expand in line with previous recoveries, growth in real purchasing power may approximate 3 percent next year. If this expansion rate develops and disposable income grows as fast as or slightly faster than this year, a continued strong demand for meat would be expected for 1977. This strong demand in combination with the currently anticipated meat production situation for 1977 could result in a slight decrease in the percent of per capita disposable income spent for meat during 1977 even if retail prices strengthen. This represents a return to the historical trend where the percent of disposable income spent on meat has generally been declining. Although the total expenditures for meat will probably rise from the 1975 level, this year's increase did not keep pace with the increase in disposable income and the proportion of per capita personal disposable income used to purchase meat will likely fall from 1975 levels.

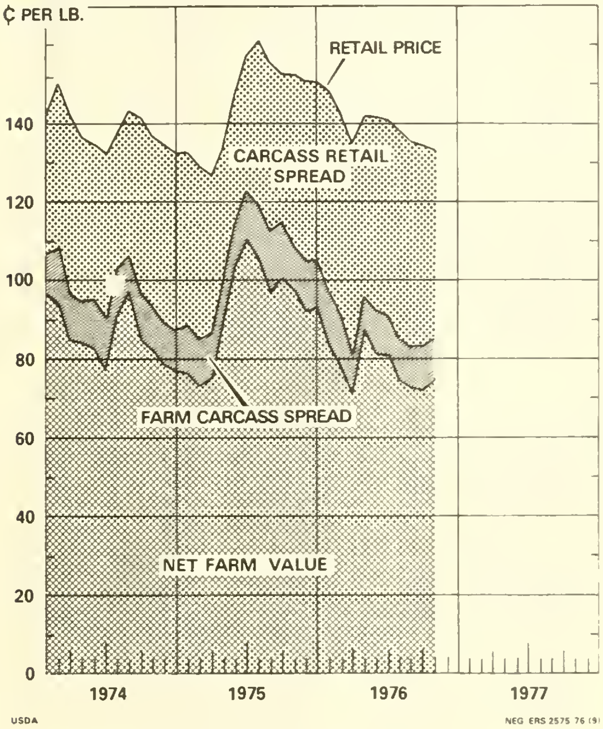
Spreads

The price spread between retail price per pound and net farm value for beef decreased during October while the spread for pork increased.

Traditionally, price spreads widen when livestock prices are falling and narrow when livestock prices are rising. Changes in retail prices have usually been slower and less frequent than live animal prices since retailers prefer to hold prices steady for as long as possible. Currently, it appears that this is the case with both beef and pork. Pork production has increased and live hog prices have fallen faster than retail prices. It appears that as pork production continues large through the winter quarter and into the early spring of 1977, price spreads for pork will remain large. The opposite may be happening with beef, as production decreases slightly from summer levels and retail prices rise slower than live animal prices.

For 1976 price spreads for beef and pork may average respectively, about 13 and 19 percent wider than in 1975. This is in sharp contrast to the increase of 1 percent between 1975 and 1974 for both beef and pork.

PRICE SPREADS FOR CHOICE BEEF



PRICE SPREADS FOR PORK

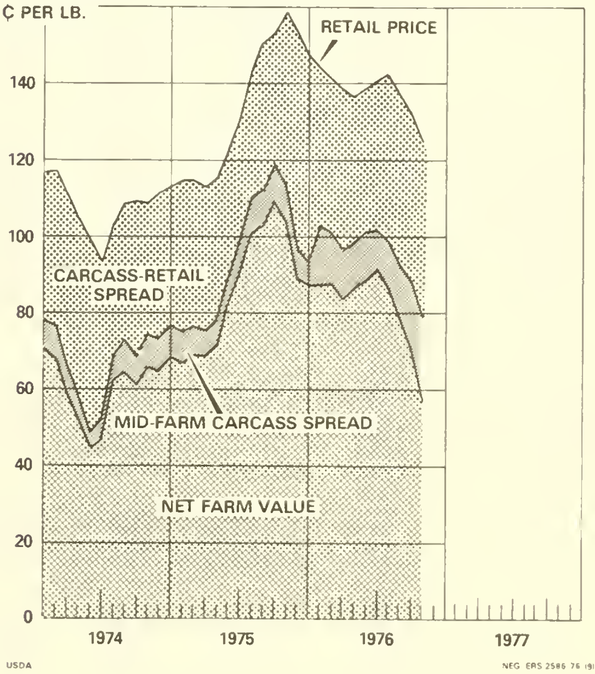


Table 9—Beef and Pork Prices and Price Spreads

Date	Retail price per pound[1]	Carcass value[2]	Gross farm value[3]	Byproduct allowance[4]	Net farm value[5]	Farm-retail spread			Farmers' share
						Total	Carcass-retail	Farm-carcass	
	Cents	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Percent*
					Beef, Choice grade				
1970	98.6	68.3	66.2	4.7	61.5	37.1	30.3	6.8	62
1971	104.3	75.7	72.3	4.5	67.8	36.5	28.6	7.9	65
1972	113.8	80.1	79.8	7.4	72.4	41.4	33.7	7.7	64
1973	135.5	98.1	100.0	10.1	89.9	45.6	37.4	8.2	66
1974	138.8	97.4	93.7	7.6	86.1	52.7	41.4	11.3	62
1975	146.0	105.5	99.9	7.0	92.9	53.1	40.5	12.6	64
1972									
I	114.4	81.4	79.3	5.7	73.6	40.8	33.0	7.8	64
II	112.3	81.3	80.4	6.9	73.5	38.8	31.0	7.8	65
III	115.3	79.9	80.5	7.9	72.6	42.7	35.4	7.3	63
IV	113.2	77.8	78.9	8.9	70.0	43.2	35.4	7.8	62
1973									
I	129.2	95.2	96.6	9.3	87.3	41.9	34.0	7.9	68
II	135.8	100.2	102.7	10.0	92.7	43.1	35.6	7.5	68
III	141.8	104.9	110.4	11.6	98.8	43.0	36.9	6.1	70
IV	135.1	92.1	90.2	9.5	80.7	54.4	42.9	11.5	60
1974									
I	145.1	103.9	101.5	9.4	92.1	53.0	41.2	11.8	63
II	134.5	93.6	89.0	7.3	81.7	52.8	40.9	11.9	61
III	141.0	102.1	99.1	7.8	91.3	49.7	38.9	10.8	65
IV	134.5	90.2	85.4	6.1	79.3	55.2	44.3	10.9	59
1975									
I	129.6	86.6	80.3	5.1	75.2	54.4	43.0	11.4	58
II	146.5	113.4	108.4	7.1	101.3	45.2	33.1	12.1	69
III	156.4	115.4	108.8	7.9	100.9	55.5	41.0	14.5	65
IV	151.4	106.5	102.2	7.9	94.3	57.1	44.9	12.2	62
1976									
Jan.	148.6	96.4	91.2	7.7	83.5	65.1	52.2	12.9	57
Feb.	142.7	90.1	85.3	7.6	77.7	65.0	52.6	12.4	54
Mar.	135.1	82.8	79.7	7.9	71.8	63.3	52.3	11.0	53
Apr.	142.0	95.9	96.2	8.8	87.4	54.6	46.1	8.5	62
May	141.7	92.1	90.2	9.0	81.2	60.5	49.6	10.9	57
June	140.8	91.0	89.4	8.8	80.6	60.2	49.8	10.4	57
July	138.2	84.9	83.2	9.0	74.2	64.0	53.3	10.7	54
Aug.	135.8	83.2	81.8	9.0	72.8	63.0	52.6	10.4	54
Sept.	134.3	83.4	81.3	9.0	72.3	62.0	50.9	11.1	54
Oct.	133.5	84.9	83.1	8.1	75.0	58.5	48.6	9.9	56
Nov.									
Dec.									
					Pork				
1970	78.0	58.8	42.8	3.4	39.4	38.6	19.2	19.4	51
1971	70.3	52.1	35.0	2.7	32.3	38.0	18.2	19.8	46
1972	83.2	65.3	51.2	3.5	47.7	35.5	17.9	17.6	57
1973	109.8	87.3	78.2	6.7	71.5	38.3	22.5	15.8	65
1974	108.2	77.4	68.0	7.2	60.8	47.4	30.8	16.6	56
1975	135.0	103.8	94.8	7.9	86.9	48.1	31.2	16.9	64
1972									
I	79.0	61.4	47.0	3.3	43.7	35.3	17.6	17.7	55
II	79.9	61.1	47.5	3.3	44.2	35.7	18.8	16.9	55
III	86.1	67.2	55.2	3.8	51.4	34.7	18.9	15.8	60
IV	87.7	71.6	55.3	3.7	51.6	36.1	16.1	20.0	59
1973									
I	98.1	80.1	68.4	4.9	63.5	34.6	18.0	16.6	65
II	103.1	79.4	70.8	6.0	64.8	38.3	23.7	14.6	63
III	121.8	101.7	94.8	8.7	86.1	35.7	20.1	15.6	71
IV	116.1	87.9	78.9	7.4	71.5	44.6	28.2	16.4	62
1974									
I	115.2	82.3	73.8	7.7	66.1	49.1	32.9	16.2	57
II	99.3	66.4	53.2	5.3	47.9	51.4	32.9	18.5	48
III	107.4	77.6	70.1	7.3	62.8	44.6	29.8	14.8	58
IV	111.0	83.5	75.0	8.4	66.6	44.4	27.5	16.9	60
1975									
I	114.4	85.7	75.6	7.3	68.3	46.1	28.7	17.4	60
II	123.1	96.7	88.9	7.4	81.5	41.6	26.4	15.2	66
III	149.2	118.9	114.0	9.7	104.3	44.9	30.3	14.6	70
IV	153.4	113.9	100.9	7.3	93.6	59.8	39.5	20.3	61
1976									
Jan.	144.2	103.3	93.4	6.0	87.4	56.8	40.9	15.9	61
Feb.	141.6	101.5	94.3	6.5	87.8	53.8	40.1	13.7	62
Mar.	138.7	96.2	90.1	6.2	83.9	54.8	42.5	12.3	60
Apr.	136.6	98.6	92.4	6.2	86.2	50.4	38.0	12.4	63
May	138.6	101.4	94.4	6.2	88.2	50.4	37.2	13.2	64
June	140.4	101.8	98.1	6.4	91.7	48.7	38.6	10.1	65
July	142.1	98.6	93.1	6.8	86.3	55.8	43.5	12.3	61
Aug.	137.4	92.0	84.7	6.0	78.7	58.7	45.4	13.3	57
Sept.	132.7	88.6	75.7	5.6	70.1	62.6	44.1	18.5	53
Oct.	124.8	79.2	62.4	4.8	57.6	67.2	45.6	21.6	46
Nov.									
Dec.									

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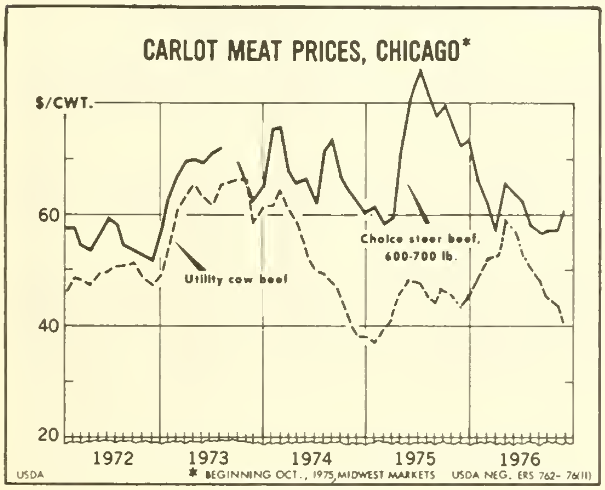
[1] Estimated weighted average price of retail cuts. [2] For quantity equivalent to 1 lb. of retail cuts: Beef; 1.41 lb. of carcass beef; Pork: 1.07 lb. of wholesale cuts. [3] Payment to farmer for quantity of live animal equivalent to 1 lb. of retail cuts: Beef, 2.28 lb.; Pork, 1.97 lb. [4] Portion of gross farm value attributed to edible and inedible byproducts. [5] Gross farm value minus byproduct allowance.

Table 10—Average retail price of meat per pound, United States, by months, 1968 to date[1]

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
Beef, Choice grade													
1968	84.3	85.1	85.6	85.6	85.8	85.8	87.1	87.0	88.4	87.7	88.1	88.5	86.6
1969	89.5	89.6	90.9	93.3	97.8	101.9	102.4	101.1	99.1	95.2	96.5	96.9	96.2
1970	97.5	97.3	99.4	99.9	99.4	98.5	100.7	100.4	98.7	97.9	97.6	96.5	98.6
1971	97.2	101.3	102.2	104.0	104.8	105.7	104.7	105.7	105.9	105.1	106.3	108.5	104.3
1972	111.5	115.8	115.8	112.0	111.4	113.5	117.3	115.8	112.9	112.8	112.3	114.6	113.8
1973	122.1	130.3	135.3	136.0	136.0	135.5	136.3	144.2	144.9	136.0	134.9	134.4	135.5
1974	143.0	150.0	142.2	136.4	135.0	132.2	137.9	143.4	141.6	136.8	134.4	132.2	138.8
1975	132.8	129.0	127.0	133.9	147.8	157.8	161.0	155.5	152.8	152.4	151.2	150.6	146.0
1976	148.6	142.7	135.1	142.0	141.7	140.8	138.2	135.8	134.3	133.5			
Veal, retail cuts													
1968	99.8	99.2	100.0	102.0	100.0	102.5	101.7	101.4	101.9	101.1	101.9	100.9	101.0
1969	102.5	103.7	104.6	107.5	108.6	112.5	114.0	115.0	115.1	115.2	114.6	116.3	110.8
1970	117.2	119.3	120.8	123.3	123.9	124.9	125.7	126.6	127.0	127.4	127.6	127.9	124.3
1971	128.9	129.4	130.6	132.9	133.7	134.8	138.5	139.3	139.6	140.3	140.6	140.9	135.8
1972	142.8	148.6	149.7	151.0	151.7	154.2	156.4	157.3	157.6	158.4	159.4	159.9	153.9
1973	162.2	169.1	176.9	180.5	181.1	181.3	183.2	188.7	188.5	190.6	186.2	191.6	181.7
1974	194.5	198.4	199.1	194.8	193.3	193.7	192.4	194.8	196.1	192.4	189.1	190.6	194.1
1975	187.0	183.5	179.6	180.2	182.9	183.1	186.6	181.6	178.2	176.8	176.7	177.4	181.1
1976	174.4	173.7	173.2	171.5	173.6	176.8	174.4	174.9	172.4	169.7			
Pork													
1968	65.4	66.7	67.1	66.3	66.7	67.8	69.4	69.0	68.8	67.8	67.1	67.0	67.4
1969	67.9	68.6	69.0	69.1	71.6	75.0	76.9	78.3	78.9	78.7	78.1	79.7	74.3
1970	82.1	81.8	81.4	79.9	80.0	80.0	80.6	79.7	76.7	74.6	70.8	68.4	78.0
1971	68.4	69.4	69.9	68.7	68.2	69.6	71.4	71.6	71.0	71.3	71.4	72.9	70.3
1972	76.3	81.3	79.4	78.2	79.4	82.0	85.6	86.0	86.6	87.5	87.2	88.5	83.2
1973	94.1	97.1	103.0	102.7	102.4	104.1	107.5	131.5	126.3	117.1	115.4	115.8	109.8
1974	116.7	117.2	111.8	104.7	99.4	93.7	103.7	108.7	109.9	109.0	111.4	112.7	108.2
1975	114.9	114.8	113.6	115.7	123.0	130.5	143.7	150.2	153.8	158.7	154.0	147.5	135.0
1976	144.2	141.6	138.7	136.6	138.6	140.4	142.1	137.4	132.7	124.8			
Lamb, Choice grade													
1968	89.8	90.4	92.0	92.5	93.3	93.7	94.5	93.6	93.1	94.5	94.2	93.5	92.9
1969	94.5	95.9	96.4	97.1	100.1	101.8	104.4	102.9	103.4	103.9	103.7	104.8	100.7
1970	104.8	104.8	104.7	105.6	103.9	105.7	106.0	106.3	106.3	105.9	105.9	106.4	105.5
1971	105.9	106.5	107.0	107.4	108.0	109.6	111.4	111.5	112.6	110.9	112.7	113.0	109.7
1972	113.0	115.3	115.5	116.0	115.7	119.0	121.2	121.5	121.0	121.5	122.5	123.7	118.8
1973	125.6	130.2	136.1	135.5	134.2	132.2	133.4	140.4	145.4	135.2	131.3	131.7	134.3
1974	132.6	138.2	141.9	141.3	141.8	144.4	151.4	151.5	154.1	151.8	152.2	155.9	146.4
1975	156.0	157.1	154.5	158.2	164.2	169.2	174.9	173.5	175.7	175.0	176.5	177.0	167.6
1976	178.3	178.1	181.4	183.4	188.2	193.1	192.4	189.8	184.0	183.0			

[1] Estimated weighted average price of retail cuts. Compiled by Economic Research Service from BLS data.



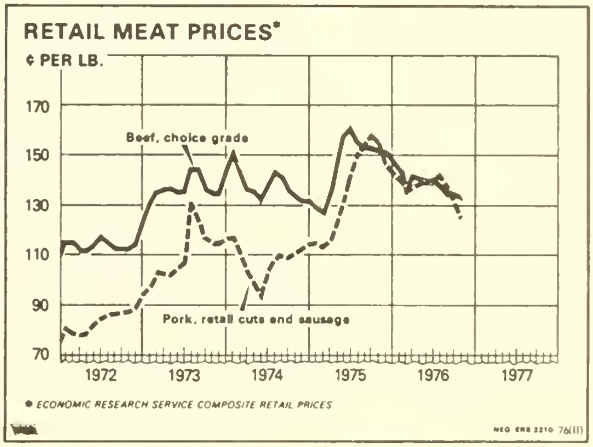


Table 11—Average retail price of specified meat cuts, per pound, by months, 1972 to date

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Cents	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*
Beef:												
Porterhouse steak												
1972	176.3	180.8	181.3	177.8	175.3	180.1	187.1	187.3	184.9	180.2	182.0	179.7
1973	187.7	197.1	201.4	204.4	204.1	206.4	207.7	216.7	216.3	207.6	202.4	200.2
1974	201.3	214.7	211.5	206.0	204.1	206.6	205.8	220.2	226.6	216.4	212.0	207.8
1975	204.6	203.7	199.1	203.9	224.2	249.1	269.6	264.7	260.3	261.1	253.8	252.6
1976	253.7	241.4	235.0	227.9	242.3	243.3	246.6	238.2	238.8	232.0		
Round steak												
1972	143.9	151.0	151.3	147.4	143.7	145.9	151.0	150.7	147.1	145.9	147.7	146.6
1973	155.9	167.8	174.6	174.8	173.8	173.9	176.3	187.7	188.5	175.8	174.7	171.4
1974	176.7	193.4	187.3	178.8	175.6	174.9	174.0	182.9	185.9	178.7	177.8	171.0
1975	172.9	171.5	167.9	171.0	186.7	198.9	207.7	202.2	193.7	199.2	195.5	194.6
1976	197.0	185.7	180.4	176.2	179.6	177.5	180.1	174.5	175.0	168.8		
Rib roast												
1972	126.8	130.5	131.4	129.6	128.1	128.2	132.2	132.2	130.2	128.8	127.8	128.4
1973	137.2	142.3	148.6	150.9	152.4	153.4	154.4	160.1	161.5	157.8	154.5	153.8
1974	154.8	163.4	159.8	154.7	153.3	152.0	152.1	160.1	168.6	164.5	159.7	158.6
1975	160.7	157.3	154.9	155.9	167.8	184.0	206.2	200.3	194.4	191.8	189.6	192.2
1976	192.2	182.9	175.7	171.7	179.6	178.8	178.5	175.7	173.9	171.4		
Rump roast												
1972	141.0	148.1	149.1	146.0	142.1	145.3	149.3	150.1	147.0	145.7	146.3	145.8
1973	153.7	164.4	169.5	169.8	169.7	170.2	171.6	181.7	182.3	172.1	170.8	167.3
1974	171.8	186.9	182.0	174.8	172.2	171.6	170.5	177.2	180.8	174.3	174.5	169.9
1975	169.3	169.6	167.1	169.6	182.4	191.5	199.8	196.6	187.7	193.7	188.5	187.5
1976	191.2	181.8	177.0	173.7	174.7	170.4	175.7	168.8	172.9	167.8		
Chuck roast												
1972	79.1	84.2	85.1	83.0	80.7	79.8	83.5	84.6	82.2	81.2	81.1	81.1
1973	85.3	96.1	100.6	103.3	103.6	103.3	103.9	114.2	115.0	106.3	101.8	100.5
1974	101.0	114.7	113.0	102.7	97.4	95.0	95.4	102.2	105.0	101.2	99.5	98.2
1975	91.5	92.1	90.6	90.9	100.7	107.6	116.8	112.5	107.7	108.2	107.3	107.6
1976	103.5	102.0	99.2	92.5	99.7	98.8	99.1	94.9	94.6	94.1		
Hamburger												
1972	70.6	73.2	74.1	73.8	73.5	74.1	75.1	76.4	75.3	75.7	75.4	75.2
1973	78.2	83.9	91.3	94.2	94.6	95.3	94.8	103.8	106.2	104.2	101.5	100.4
1974	102.6	109.5	108.4	101.2	97.1	95.2	90.5	94.8	96.4	93.0	89.7	87.5
1975	85.4	82.8	80.5	80.5	86.7	90.6	93.8	92.7	90.1	90.8	90.4	88.8
1976	89.3	87.7	86.4	85.6	90.4	90.0	88.9	88.8	86.9	85.7		
Veal Cutlet												
1972	250.5	260.7	262.7	265.0	266.3	270.7	274.5	276.1	276.6	278.0	279.8	280.8
1973	284.6	295.7	308.5	314.0	314.1	313.5	315.9	324.6	323.4	326.2	327.4	326.0
1974	341.3	348.4	350.2	343.1	340.9	342.0	340.2	344.8	347.5	341.6	336.2	339.2
1975	328.1	323.0	317.2	319.2	325.1	326.4	333.5	325.9	320.9	319.5	320.4	322.7
1976	306.0	304.7	303.8	300.9	304.6	309.6	308.9	306.9	302.4	297.8		
Pork:												
Chops												
1972	112.3	125.1	119.9	116.8	115.6	120.7	131.6	128.9	132.5	131.3	130.9	129.3
1973	139.5	147.7	154.2	145.0	147.0	150.0	152.1	196.5	169.8	157.9	157.6	153.4
1974	162.7	164.0	158.5	149.7	143.7	139.8	153.9	158.9	164.5	161.9	161.2	159.0
1975	160.7	161.4	161.1	161.4	167.2	183.3	204.1	203.9	205.7	211.0	207.2	199.9
1976	190.2	192.8	191.8	184.8	187.1	192.0	194.9	191.9	184.8	174.9		
Roast, loin												
1972	79.5	86.9	85.5	82.8	82.1	85.1	93.1	92.1	93.1	93.2	93.3	92.0
1973	99.3	105.5	111.9	109.5	108.7	110.1	111.7	151.5	131.3	120.7	119.7	116.9
1974	122.9	123.9	121.1	111.7	107.5	102.9	113.3	117.6	121.6	119.8	119.1	117.2
1975	121.1	120.4	120.0	119.8	125.0	138.6	156.1	155.9	158.7	162.9	160.4	157.0
1976	149.8	151.2	150.0	142.4	146.0	146.7	150.2	148.4	142.6	135.1		
Bacon, sliced												
1972	83.2	93.9	92.7	92.5	91.2	93.1	95.7	99.4	99.8	106.0	103.7	103.5
1973	107.3	114.7	118.1	121.6	119.5	121.2	123.1	161.0	166.4	152.8	142.9	141.4
1974	139.1	143.4	137.1	124.8	118.1	109.7	108.9	132.6	140.6	141.6	143.8	144.2
1975	147.1	147.8	149.2	147.9	157.7	165.5	177.9	192.0	211.3	216.1	204.5	190.1
1976	176.7	176.1	170.4	170.3	174.4	175.8	182.1	181.8	179.5	168.6		
Ham, whole												
1972	74.9	76.6	77.8	76.7	75.2	76.3	77.5	78.0	78.5	79.9	81.9	85.5
1973	92.0	91.0	94.8	99.7	98.4	97.8	98.2	121.7	126.0	115.3	117.0	122.2
1974	121.3	115.9	114.2	108.9	97.3	92.6	89.9	99.0	101.1	102.7	108.8	113.8
1975	114.7	109.9	110.5	109.9	109.0	114.5	120.0	125.6	131.5	144.7	147.9	148.5
1976	152.0	142.9	140.0	139.4	137.9	137.3	138.5	137.1	132.8	130.8		
Lamb Chops												
1972	192.1	195.5	196.0	195.3	195.0	199.7	203.0	203.6	202.6	203.9	204.0	203.1
1973	205.3	218.1	225.5	227.5	226.6	224.5	228.8	241.4	240.8	227.1	223.4	230.1
1974	200.2	216.3	219.7	213.2	213.0	222.9	225.7	226.1	226.2	223.2	224.5	227.3
1975	252.1	254.8	255.3	256.2	264.4	275.3	280.4	282.3	283.3	282.9	283.2	283.4
1976	282.5	281.3	279.9	287.4	302.1	309.4	309.3	305.6	293.0	291.0		

Data from the Bureau of Labor Statistics.

Table 12—Meat subject to U.S. import quota restriction, product weight

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
1959-63 average	47.3	49.6	57.5	54.3	48.5	58.6	67.1	84.1	76.1	61.6	56.1	61.4	722.2
1964	87.2	44.9	68.9	61.4	51.1	98.1	43.7	79.5	49.6	46.4	55.7	53.4	739.9
1965	28.2	34.5	68.7	32.4	52.3	41.9	58.5	59.9	62.2	64.4	57.2	53.7	613.9
1966	51.4	60.3	49.4	63.3	52.0	100.2	61.4	87.1	91.5	79.7	61.1	66.0	823.4
1967	77.4	58.5	61.9	58.8	51.5	69.6	88.7	92.2	89.8	91.8	82.3	72.4	894.9
1968	80.7	72.6	64.1	78.4	56.1	105.1	86.4	108.6	115.5	102.1	95.8	35.6	1,001.0
1969[1]	41.9	50.4	136.1	90.0	80.5	85.7	107.1	141.8	121.4	108.4	51.4	69.4	1,084.1
1970[1]	124.5	100.7	112.0	88.7	62.1	93.4	110.0	113.0	107.6	89.3	79.3	89.8	1,170.4
1971[1]	83.4	65.1	88.3	86.2	76.8	101.0	94.4	104.9	158.6	80.4	63.2	130.3	1,132.6
1972[1]	86.9	80.8	75.4	105.4	107.9	106.4	106.8	164.6	163.8	145.1	119.0	93.4	1,355.5
1973[1]	106.2	98.4	88.3	97.9	113.1	91.5	106.0	153.7	110.3	149.9	130.0	110.3	1,355.6
1974[1]	118.0	82.3	104.9	91.4	80.6	78.6	59.4	101.4	91.8	72.3	93.2	105.2	1,079.1
1975	135.5	97.5	106.0	86.1	75.8	100.9	104.3	112.8	114.5	85.2	121.7	68.6	1,208.9
1976	120.2	74.6	125.2	114.2	124.2	132.1	102.5	102.0	126.1	124.6			

[1] Rejections for calendar year 1969 equaled 13.5 million pounds, 17.4 million pounds for 1970, 21.0 million pounds for 1971, 17.8 million pounds for 1972, 18.4 million pounds for 1973, and 9.6 for 1974.

Table 13—U.S. meat imports and exports and percentage comparisons (carcass weight)

Months	Beef and veal			Lamb and mutton[1]			Pork			Total meat		
	1975	1976	Change	1975	1976	Change	1975	1976	Change	1975	1976	Change
	Mil. lb.	*Mil. lb.*	*Pct.*	*Mil. lb.*	*Mil. lb.*	*Pct.*	*Mil. lb.*	*Mil. lb.*	*Pct.*	*Mil. lb.*	*Mil. lb.*	*Pct.*
IMPORTS												
January	192	182	-5	1	2	+118	44	48	+9	237	232	-2
February	139	121	-13	2	3	+66	33	30	-9	174	154	-12
March	151	189	+26	2	2	+2	41	38	-8	194	229	+18
April	124	171	+38	3	2	-21	37	36	-4	164	209	+27
May	110	186	+69	1	4	+168	34	35	+5	145	225	+55
June	146	202	+38	2	7	+262	31	37	+21	179	246	+38
July	154	165	+7	3	4	+37	38	39	+2	195	208	+7
August	167	167	0	4	4	-13	26	27	+7	197	198	0
September ...	171	203	+18	3	3	+20	33	28	-15	207	234	+13
October	137	190	+39	2	1	-21	39	33	-16	178	224	+26
November ...	182			2			37			221		
December ...	109			2			36			147		
Total	1,782			27			429			2,238		
EXPORTS												
January	4.09	7.21	+77	0.39	0.24	-38	8.61	17.06	+98	13.09	24.51	+87
February	4.24	7.42	+75	.26	.29	+14	10.64	26.43	+148	15.14	34.14	+126
March	4.01	8.09	+101	.39	.38	-1	24.88	38.30	+54	29.28	46.77	+60
April	4.33	7.00	+62	.37	.39	+6	10.68	22.00	+106	15.38	29.39	+91
May	3.34	7.13	+114	.40	.31	-21	13.42	36.57	+172	17.16	44.01	+157
June	2.92	8.47	+190	.29	.38	+31	19.18	23.47	+22	22.39	32.32	+44
July	2.97	7.71	+159	.37	.34	-8	23.74	19.92	-16	27.08	27.97	+3
August	3.84	6.85	+79	.26	.31	+22	22.18	22.48	+1	26.28	29.64	+13
September ...	3.04	7.77	+155	.28	.56	+100	18.99	25.64	+35	22.31	33.97	+52
October	5.29	8.55	+62	.37	.55	+48	17.14	32.54	+90	22.80	41.64	+83
November ...	7.74			.27			19.36			27.37		
December ...	7.62			.29			22.25			30.16		
Total	53.43			3.94			211.07			268.44		

[1] Includes goat meat.

Supply and distribution of commercially produced meat, by months, carcass weight

Meat and period	Supply			Distribution				
	Production[1]	Beginning stocks	Imports	Exports and shipments	Ending stocks	Military	Civilian consumption	
							Total	Per person[2]
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Pounds*
Beef:								
1975								
September	2,065	258	169	9	254	30	2,199	10.4
October	2,270	254	135	8	272	28	2,351	11.1
November	1,970	272	177	14	320	22	2,063	9.7
December	2,056	320	106	11	350	20	2,101	9.9
1976								
January	2,207	350	178	12	350	19	2,354	11.1
February	1,966	350	119	12	362	29	2,032	9.5
March	2,318	362	187	15	395	16	2,441	11.5
April	2,017	395	170	13	401	24	2,144	10.1
May	1,966	401	185	14	408	15	2,115	9.9
June	2,160	408	201	13	407	23	2,326	11.0
July	2,111	407	164	13	394	12	2,263	10.6
August	2,233	394	166	12	373	20	2,388	11.2
September	2,273	373	201	14	394	15	2,424	11.4
October	2,202	394	188	15	416	21	2,332	10.9
Veal:								
1975								
September	82	9	2	1	8	1	83	.4
October	95	8	2	2	9	1	93	.4
November	76	9	5	(3)	10	1	79	.4
December	76	10	3	1	11	1	76	.3
1976								
January	73	11	4	1	11	1	75	.4
February	62	11	2	1	10	1	63	.3
March	71	10	2	1	9	1	72	.3
April	59	9	1	1	10	1	57	.2
May	56	10	1	1	8	(3)	58	.3
June	63	8	1	1	8	1	62	.3
July	63	8	1	1	8	(3)	63	.3
August	67	8	1	2	8	1	75	.3
September	75	8	2	1	9	(3)	75	.3
October	75	9	2	1	9	(3)	76	.4
Lamb & Mutton:								
1975								
September	40	10	3	1	11	(3)	41	.2
October	38	11	2	1	11	1	39	.2
November	28	11	2	1	12	1	27	.1
December	32	12	2	(3)	12	(3)	34	.2
1976								
January	33	12	2	1	11	(3)	35	.2
February	29	11	3	(3)	11	(3)	32	.1
March	33	11	2	1	9	(3)	36	.2
April	32	9	2	1	10	(3)	32	.2
May	23	10	4	1	11	(3)	25	.1
June	26	11	7	(3)	12	(3)	32	.1
July	28	12	4	1	14	(3)	29	.2
August	31	14	4	(3)	15	(3)	34	.1
September	34	15	3	1	17	(3)	34	.2
October	31	17	1	1	16	(3)	32	.1
Pork:								
1975								
September	901	186	33	26	190	11	893	4.2
October	936	190	39	24	222	11	908	4.3
November	904	222	37	31	269	5	858	4.0
December	995	269	36	33	249	7	1,011	4.8
1976								
January	953	249	48	23	236	7	984	4.6
February	850	236	30	32	222	9	853	4.1
March	1,092	222	38	50	248	5	1,049	4.9
April	1,004	248	36	31	267	7	983	4.6
May	879	267	35	47	270	6	858	4.0
June	899	270	37	31	236	7	932	4.4
July	848	236	39	27	195	2	899	4.2
August	1,020	195	27	32	70	6	1,034	4.9
September	1,085	170	29	35	189	7	1,053	4.9
October	1,188	189	33	35	211	7	1,157	5.4
Total Meat:								
1975								
September	3,088	463	207	37	463	42	3,216	15.2
October	3,339	463	178	35	514	40	3,391	16.0
November	2,978	514	221	46	611	29	3,027	14.2
December	3,159	611	147	45	622	28	3,222	15.2
1976								
January	3,266	622	232	37	608	27	3,448	16.3
February	2,907	608	154	45	605	39	2,980	14.0
March	3,514	605	229	67	661	22	3,598	16.9
April	3,112	661	209	46	688	32	3,216	15.1
May	2,924	688	225	63	697	21	3,056	14.3
June	3,148	697	246	45	663	31	3,352	15.8
July	3,050	663	208	42	611	14	3,254	15.3
August	3,351	611	198	46	566	27	3,521	16.5
September	3,467	566	235	51	609	22	3,536	16.8
October	3,496	609	224	52	652	28	3,597	16.8

[1] Excludes production from farm slaughter. [2] Derived from estimates by months of population eating out of civilian food supplies. [3] Less than 500,000 lb.

Selected price statistics for meat animals and meat

Item	1976									
	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.
	Dollars per 100 pounds									
SLAUGHTER STEERS:										
Omaha:										
Choice, 900-1100 lb.	38.80	36.14	43.12	40.62	40.52	37.92	37.02	36.97	37.88	39.15
Good, 900-1100 lb.	37.75	33.77	39.78	38.26	37.88	34.72	33.52	33.28	34.10	35.12
California, Choice 900-1100 lb.	39.62	37.75	45.69	41.94	42.92	39.25	39.31	38.75	39.00	40.62
Colorado, Choice 900-1100 lb.	38.87	35.35	44.74	40.97	41.40	37.84	37.22	37.34	38.42	39.26
Texas, Choice 900-1100 lb.	38.96	35.88	45.10	41.49	41.57	37.91	37.54	37.46	38.40	40.10
Cows:										
Omaha:										
Commercial	27.11	28.31	30.86	30.69	27.98	26.59	25.55	24.46	23.34	21.34
Utility	25.90	27.45	30.72	30.24	27.47	25.80	25.10	22.90	22.72	20.59
Cutter	23.62	25.09	27.58	27.60	24.93	23.82	22.75	20.90	20.40	19.00
Canner	20.25	21.80	24.31	24.95	22.76	22.18	20.89	18.62	18.01	16.96
Vealers, Choice, S. St. Paul	50.05	50.58	49.49	44.95	37.60	34.51	41.52	39.84	47.25	44.90
FEEDER STEERS:										
Kansas City:										
Choice, 400-500 lb.	41.40	44.01	47.01	47.58	44.81	40.64	41.13	38.18	39.81	38.46
Choice, 600-700 lb.	40.42	39.69	44.62	44.21	42.83	39.18	38.94	36.18	36.72	36.26
Good, 600-700 lb.	35.92	36.28	40.81	41.05	38.39	35.26	35.14	31.75	31.39	30.65
All weights and grades	36.95	38.82	43.49	42.38	40.24	37.58	37..55	34.03	36.07	35.06
Amarillo:										
Choice, 600-700 lb.	40.40	39.24	44.29	42.25	41.37	39.04	38.50	34.81	35.04	34.69
Good, 600-700 lb.	33.27	31.16	—	—	—	—	—	—	—	—
Georgia Auctions:										
Choice, 600-700 lb.	35.75	36.15	39.75	38.75	37.70	35.00	33.44	32.30	31.81	30.69
Good, 400-500 lb.	31.19	32.90	36.75	35.50	34.90	31.50	30.75	29.70	31.00	28.62
SLAUGHTER HOGS:										
Barrows and Gilts:										
Omaha:										
Nos. 1 & 2, 200-220 lb.	49.70	47.23	48.87	49.78	51.93	48.92	44.59	40.14	33.12	33.00
Nos. 1 & 2, 220-240 lb.	49.68	47.23	48.86	49.78	51.91	48.96	44.64	39.06	33.10	32.79
All weights	48.43	46.40	47.48	48.50	50.32	47.66	43.74	39.06	32.34	31.19
Sioux City	48.92	46.50	48.06	48.96	50.91	48.31	44.03	39.39	32.69	31.96
7 markets[1]	48.85	46.71	47.89	48.89	50.80	48.26	44.00	39.39	32.66	32.05
Sows:										
7 markets[1]	44.03	42.24	42.88	43.20	43.21	40.83	37.98	33.81	26.87	23.64
FEEDER PIGS:										
Nos. 1 & 2, So. Mo., 40-50 lb. (per hd.)	50.16	48.80	51.28	44.57	38.85	30.45	31.02	27.69	21.75	21.17
SHEEP AND LAMBS:										
Slaughter:										
Lambs, Choice, San Angelo	49.00	56.25	62.95	62.12	50.81	47.81	40.62	42.88	45.56	45.83
Lambs, Choice, So. St. Paul	46.56	50.92	55.77	64.75	50.01	46.02	38.64	39.77	41.08	42.27
Ewes, Good, San Angelo	16.12	18.90	18.44	19.75	17.56	19.44	17.69	15.90	16.12	—
Ewes, Good, So. St. Paul	12.50	12.81	13.42	13.12	13.65	13.88	13.61	12.46	9.80	9.45
Feeder Lambs:										
Choice, San Angelo	49.69	56.30	62.71	59.56	48.56	49.38	45.94	46.65	47.31	49.67
Choice, So. St. Paul	46.00	50.21	52.39	53.72	45.80	44.14	38.98	43.50	44.51	43.56
FARM PRICES:										
Beef cattle:	34.20	33.60	37.90	36.90	36.30	33.50	32.80	32.40	31.80	31.10
Calves	34.40	35.30	38.00	38.80	37.90	35.20	34.50	33.10	33.10	32.20
Hogs	47.90	45.50	47.00	47.50	49.10	47.70	42.60	39.70	32.90	31.10
Sheep	12.50	13.40	15.00	14.50	12.60	13.00	12.50	12.40	11.40	11.00
Lambs	46.80	49.70	54.60	60.30	51.00	46.90	41.40	41.80	42.70	41.60
MEAT PRICES:										
Wholesale:										
Midwest Markets:[2]										
Steer beef, Choice, 600-700 lb.	62.22	56.97	65.85	63.56	62.45	58.20	57.05	57.24	58.36	60.85
Heifer beef, Choice, 500-600 lb.	60.29	56.01	64.44	62.89	61.68	57.66	55.82	56.25	57.37	59.17
Cow beef, Canner and Cutter	53.25	56.44	60.48	59.12	54.88	53.48	51.62	47.75	46.44	43.84
Pork loins, 8-14 lb.	95.36	85.25	87.60	94.67	97.88	97.40	85.26	83.43	72.55	66.83
Pork bellies, 12-14 lb.	67.37	67.48	73.62	73.04	79.16	74.10	73.58	63.61	47.94	42.58
Hams, skinned, 14-17 lb.	80.68	85.48	84.19	82.86	81.76	77.32	74.66	72.18	69.67	80.69
East Coast:										
Steer beef, Choice 600-700 lb.	65.14	60.04	69.28	66.72	65.61	61.18	60.60	60.95	61.87	64.46
Lamb, Choice and Prime, 35-45 lb.	102.62	107.57	120.69	126.81	108.62	100.67	87.90	88.88	92.98	93.25
Lamb, Choice and Prime, 55-65 lb.	98.33	104.39	121.00	125.69	106.05	99.25	86.81	87.13	89.23	86.12
West Coast:										
Steer Beef, Choice, 600-700 lb.	66.22	61.33	72.08	67.42	67.92	62.96	62.12	62.32	62.36	65.54
Retail:										
Beef, Choice	142.7	135.1	142.0	141.7	140.8	138.2	135.8	134.3	133.5	
Veal	173.7	173.2	171.5	173.6	176.8	174.4	174.9	172.4	169.7	
Pork	141.6	138.7	136.6	138.6	140.4	142.1	137.4	132.7	124.8	
Lamb	178.1	181.4	183.4	188.2	193.1	192.4	189.8	184.0	183.0	
Price Indexes (BLS, 1967=100)										
Wholesale meat	180.3	171.7	183.5	182.8	182.0	175.3	164.7	166.2	158.8	
Retail meat	182.8	179.6	176.6	180.5	181.6	182.9	180.1	177.4	172.7	
Beef and veal	168.3	164.7	160.8	166.9	166.5	166.9	163.3	162.3	158.7	
Pork	205.4	204.3	200.0	201.9	205.0	208.7	206.0	200.7	191.7	
Other meats	178.8	177.7	178.4	180.2	181.9	181.9	181.0	178.0	176.7	
LIVESTOCK-FEED RATIOS, OMAHA[3]										
Beef steer-corn	14.9	13.8	16.6	14.8	14.2	13.4	13.8	14.3	16.1	18.0
Hog-corn	18.6	17.7	18.3	17.7	17.6	16.8	16.2	15.1	13.7	14.4

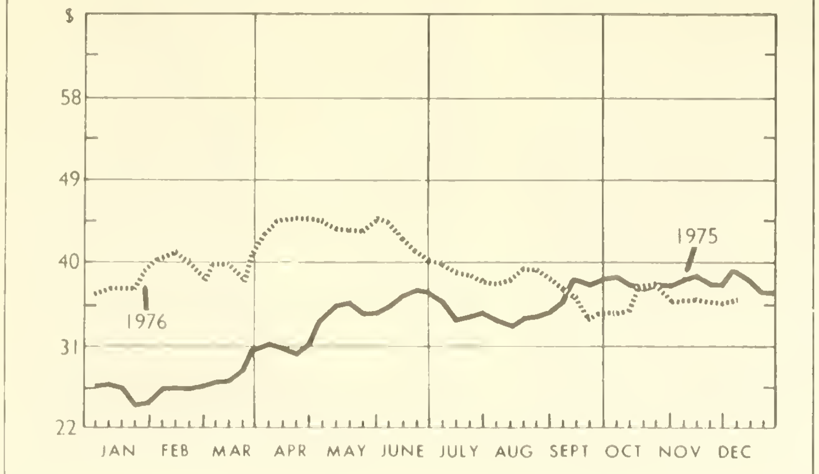
[1] St. Louis N.S.Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis. [2] Prior to Oct., 1975, Chicago Market. [3] Bushels of No. 2 Yellow Corn equivalent in value of 100 pounds liveweight.

Selected marketings, slaughter and stock statistics for meat animals and meat

Item	Unit		1975						1976			
		Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
FEDERALLY INSPECTED:												
Slaughter:												
Cattle	1,000 head	3,267	3,403	3,032	3,492	3,053	2,980	3,294	3,220	3,388	3,435	3,336
Steers	1,000 head	1,229	1,350	1,306	1,612	1,370	1,376	1,539	1,527	1.574	1,521	1,435
Heifers	1,000 head	834	969	899	4,074	911	848	909	869	944	964	965
Cows	1,000 head	1,123	1,009	760	731	697	680	761	748	790	868	863
Bulls and stags	1,000 head	82	75	67	75	75	76	85	76	80	82	73
Calves	1,000 head	381	369	327	415	353	304	340	346	373	408	394
Sheep and lambs	1,000 head	584	582	513	570	561	429	502	526	563	621	556
Hogs	1,000 head	5,508	5,400	4,873	6,325	5,827	5,086	5,146	4,907	5,968	6,363	6,929
Percentage sows	Percent	6	5	4	4	4	4	5	5	5	5	5
Average live weight per head												
Cattle	Pounds	1,008	1,020	1,026	1,034	1,031	1,035	1,030	1,026	1,026	1,029	1,032
Calves	Pounds	227	232	215	204	206	227	225	227	226	222	230
Sheep and lambs	Pounds	109	110	111	112	110	107	105	104	106	108	111
Hogs	Pounds	246	243	236	236	236	239	240	238	236	236	238
Average dressed weight												
Beef	Pounds	576	597	598	616	610	616	612	613	615	614	611
Veal	Pounds	126	130	123	116	117	129	129	131	129	128	131
Lamb and mutton	Pounds	54	56	56	56	54	52	51	52	53	54	55
Pork	Pounds	172	168	167	166	166	166	167	166	165	164	165
Lard	Pounds	15	16	13	14	14	15	14	15	14	14	14
Production:												
Beef	Mil. lb.	1,874	2,024	1,808	2,145	1,857	1,829	2,010	1,969	2,076	2,104	2,031
Veal	Mil. lb.	48	48	40	48	41	39	44	45	48	52	51
Lamb and mutton	Mil. lb.	31	32	28	32	30	22	26	27	29	33	31
Pork	Mil. lb.	943	906	811	1,049	963	842	860	814	982	1,042	1,143
Lard	Mil. lb.	81	84	64	87	82	78	74	72	84	88	101
COMMERCIAL:												
Slaughter:[1]												
Cattle	1,000 head	3,632	3,762	3,336	3,813	3,354	3,238	3,576	3,483	3,675	3,749	3,658
Calves	1,000 head	489	466	408	496	419	367	410	410	443	495	480
Sheep and lambs	1,000 head	607	601	528	587	590	448	524	547	585	646	574
Hogs	1,000 head	5,839	5,698	5,122	6,612	6,087	5,331	5,400	5,132	6,214	6,638	7,211
Production:												
Beef	Mil. lb.	2,056	2,207	1,966	2,318	2,017	1,966	2,161	2,110	2,233	2,274	2,202
Veal	Mil. lb.	76	73	62	71	59	56	63	62	67	75	75
Lamb and mutton	Mil. lb.	32	33	29	33	32	23	27	28	30	34	31
Pork	Mil. lb.	995	953	850	1,092	1,003	879	899	848	1,020	1,084	1,188
Lard	Mil. lb.	84	87	67	90	85	80	76	74	87	91	103
COLD STORAGE STOCKS FIRST OF MONTH:												
Beef	Mil. lb.	320	350	350	362	395	401	408	407	394	373	394
Veal	Mil. lb.	10	11	11	10	9	10	8	8	8	8	9
Lamb and mutton	Mil. lb.	12	12	11	11	9	10	11	12	14	15	17
Pork	Mil. lb.	269	249	236	222	248	267	270	236	195	170	189
Total meat and meat products[2]	Mil. lb.	668	675	672	677	727	752	765	727	675	620	663
FOREIGN TRADE:												
Imports: (carcass weight)												
Beef and veal	Mil. lb.	109	182	121	189	171	186	202	165	167	203	190
Pork	Mil. lb.	36	48	30	38	36	35	37	39	27	28	33
Lamb and mutton	Mil. lb.	2	2	3	2	2	4	7	4	4	3	1
Exports: (carcass weight)												
Beef and veal	Mil. lb.	7.62	7.21	7.42	8.09	7.00	7.13	8.47	7.71	6.85	7.77	8.55
Pork	Mil. lb.	22.25	17.06	26.43	38.30	22.00	36.57	23.47	19.92	22.48	25.64	32.54
Lamb and mutton	Mil. lb.	.30	.24	.29	.38	.39	.31	.38	.34	.31	.56	.55
Live animal imports:												
Cattle	Number	133,704	90,507	52,135	69,417	78,492	99,061	79,168	29,295	23,893	29,670	34,855
Hogs	Number	2,566	2,221	1,911	3,776	4,637	4,927	5,090	5,120	5,238	4,277	2,766
Sheep and lambs	Number	74	932	153	91	0	6	50	104	33	67	1,569
Live animal exports:												
Cattle	Number	15,822	12,263	13,356	33,859	12,643	17,990	14,982	18,162	23,127	21,378	16,966
Hogs	Number	1,106	306	517	1,477	1,174	904	334	395	293	1,072	532
Sheep and lambs	Number	29,680	13,346	6,805	19,409	26,640	33,257	26,891	23,481	21,363	19,538	16,899

[1] Federally inspected and other commercial. [2] Includes stocks of canned meats in cooler in addition to the meats listed.

AVE. PRICE CHOICE FEEDER STEERS 600—700# — KANSAS CITY



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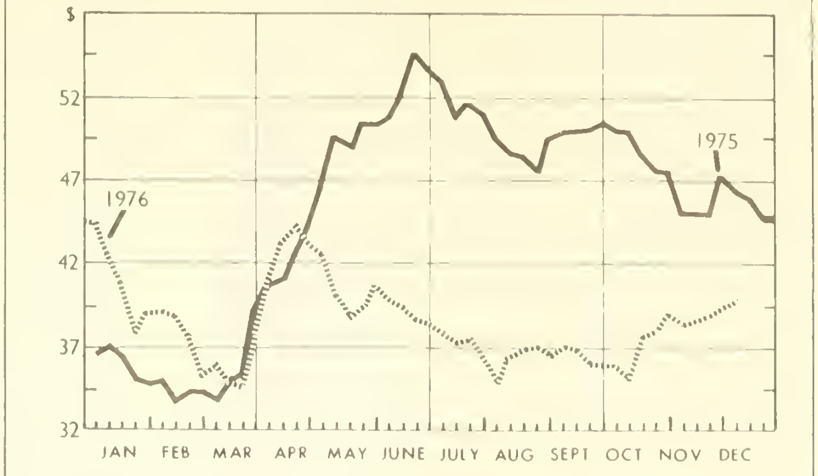
AVE. PRICE CHOICE SLAUGHTER STEERS-OMAHA 1100—1300#



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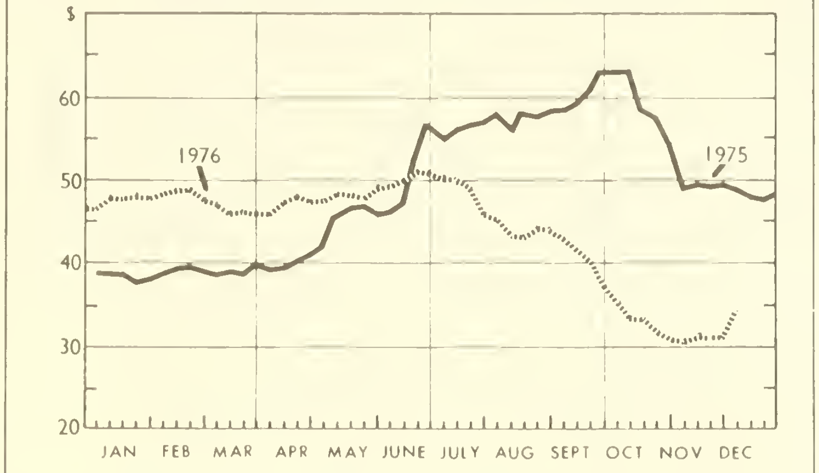
AVERAGE PRICE BARROWS & GILTS*



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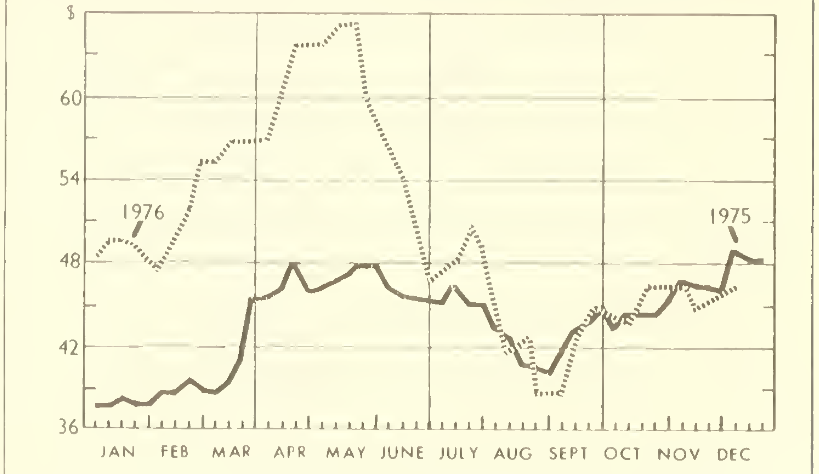
AVE. PRICE CHOICE SLAUGHTER LAMBS-SAN ANGELO



SPRING LAMBS QUOTED MARCH TO OCTOBER, WOOLED LAMBS OCTOBER TO MARCH

U.S. DEPARTMENT OF AGRICULTURE X NO SALES CONFIRMED LIVESTOCK DIVISION — AMS

THE U.S. LIVESTOCK-MEAT ECONOMY, 1951-1975[1]

by
James L. Pearson and Richard J. Crom
Commodity Economics Division, ERS

ABSTRACT: Post-war developments in the U.S. Livstock-Meat economy are reviewed. During this period, beef has become the preferred meat; current beef consumption has doubled since 1950 while pork consumption has remained the same. Both the value of the animal and value added by feeding and processing remained stable for nearly 20 years but increased substantially during the past 5 years.

KEYWORDS: Production, Consumption, Prices, Marketing

The beef cattle cycle usually ranges from 8 to 10 years in length, with 5 to 7 years allotted for the buildup phase and 3 years for the liquidation phase. The hog price-production cycle has followed a more traditional cobweb-type model, with total length running between 3 and 4 years.

Beef, cattle, and hogs constitute the principal livestock species in the United States. We produce and consume about 1 kilogram[2] (slightly over 2 pounds) of lamb per capita and a similar amount of veal. While veal production was up in recent years, it was a short-term phenomenon of the current cattle cycle. In 1973 cash receipts received by producers of cattle, hogs, and sheep exceeded $30 billion but fell to $25 billion during each of the past 2 years as prices declined.

Traditionally, U.S. livestock producers retain a higher percentage of the consumer dollar spent for meat than producers of other agricultural commodities; while many of our agricultural producers whose commodities undergo substantial processing on the way to market receive about 40 percent of the consumer dollar, beef and pork producers have usually received about 60 percent of the consumer dollar spent on meat. There is probably more fluctuation in the hog farmer's share of the dollar than the beef producer's.

Industry Growth

During the past 25 years, the civilian population of the United States rose from approximately 150 million to 210 million. From 1951 to 1975, per capita red meat consumption increased from 63 kilograms (138 pounds) to 82 kilograms (181 pounds). Total cattle numbers grew from 82 million head to about 132 million head, but the swine population has shown little long-term change. There were about 62 million hogs on hand at the start of 1951, the peak of an inventory cycle, compared with a 1973 peak of the same number.

The preferred meat in the United States has been beef—particularly fed beef. The shift to beef over the years came about as consumer incomes and buying power increased and consumer tastes shifted toward beef—particularly the highly grain fed component. In 1951, we consumed about 25 kilograms (56 pounds) of beef and 33 kilograms (72 pounds) of pork. In 1975, we consumed 55 kilograms (120 pounds) of beef and only 25 kilograms (55 pounds) of pork. Doubling of per capita beef consumption during these 25 years, coupled with the increase in population growth, put a strain on industry's ability to shift resources—especially to finance cattle feeding. Pork consumption in 1975 was at a 30-year low as we experienced a very deep "bottom" in the production phase of the cycle. Over the past 2½ decades, per capita pork consumption has fluctuated around an average of 29 kilograms (65 pounds) per capita; however, with this recent drop in pork production, we could see stabilization at a somewhat lower level depending on resulting production costs and consumer preferences. At best, we do not expect to see pork regain much more than its historical per capita demand.

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[1] This is a revision of a paper presented at the World Meat Congress, Buenos Aires, Argentina, August 4-6, 1976.

[2] One kilogram is equivalent to 2.2046 pounds.

The big shift in red meat consumption has been toward fed beef. In 1955, the earliest year for which consistent data are available, we consumed about 18 kilograms (40 pounds) of fed beef per capita. By 1973, fed beef production had risen to over 36 kilograms (80 pounds). Due to a drastic increase in feed prices and 1973 price controls, fed beef consumption fell off to just over 27 kilograms (60 pounds) in 1975. While 1975 consumption of fed beef was about equal to that of 1960, it appears that as we work out of this cattle cycle, fed beef consumption will increase again.

Some Component Data

The accompanying charts represent the values associated with various stages of the production and marketing process. Consider beef first (Figure 1). The heavily shaded area at the bottom of Figure 1 shows the value of a 205 kilogram (450 pound) Good and Choice grade feeder calf over the past 25 years. The top of the crossed hatched area shows the value of a 455 kilogram (1,000 pound) Choice grade fed steer during this time, with the crossed hatched area representing the value added by feeding. Similarly, the top line in the chart represents the retail value of the 200 kilograms (440 pounds) of Choice beef cut from this animal for retail sale. The area under the retail value line represents the value added by slaughtering, processing, and distributing. Data in these charts commence at a point of high prices during the price-production cycle. However, we can see the three distinct cattle cycles which have bottomed out during this period.

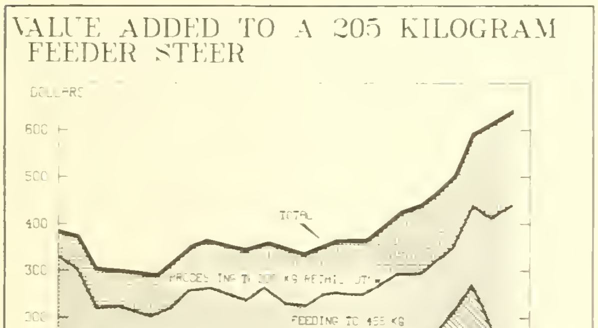

Figure 1

The value of both the feeder and slaughter animal hit a low point in 1956, again in 1964, and again in 1975. Retail values did not drop during 1975—partly because of inflation and partly because of the reduced supply of the fed beef component. In addition to the cattle cycles which can be seen in this chart, one can also point out the rapid effects of inflation in the early and mid 1970's. Note that in 1973 the value of the fed steer on a live weight basis was about equal to the value of its retail cuts in 1970.

The value of the feeder animal over the past 25 years shows that feeder prices were both stable and relatively low until recently. This confirms enterprise budget data which indicate that in many areas of the United States, beef cattle producers at the cow-calf level have covered variable and semi-variable costs, but have not received a satisfactory return to land and other longterm fixed factors. The high feeder cattle prices in 1973, as shown by the sharp peak in feeder values, contributed to the substantial losses incurred by cattle feeders in 1974. During mid and early 1973, when fed cattle and retail beef prices were subjected to price controls, most people in the industry anticipated that prices would rise further when controls were scheduled to be lifted in September. However, the buildup in cattle numbers was such that these price rises did not occur and this resulted in disastrous losses to the cattle feeding industry. As a result of these losses, prices of feeder animals dropped sharply during 1974 and 1975 with a widening margin going to cattle feeders. Feeder steer prices are just beginning to turn around as fed cattle prices have shown some increase and feeders who have weathered these losses are increasing fed cattle production.

The chart on hogs (Figure 2) does not show a feeder pig component because this would not typify U.S. pork production as the bulk of hogs are produced in farrow-to-finish operations on the same farm. The value line of the live hogs does show about five price production cycles over the past 25 years. The data also indicate a rather stable value of both live animals and retail cuts through the first 20 years. After 1971, higher feed prices, coupled with inflated costs of other inputs, served to reduce hog supplies, thus giving rise to substantial increases in retail and farm values.

Returns to Various States of the Production-Marketing Process

The chart on beef indicates that cow-calf producers have received a relatively stable and

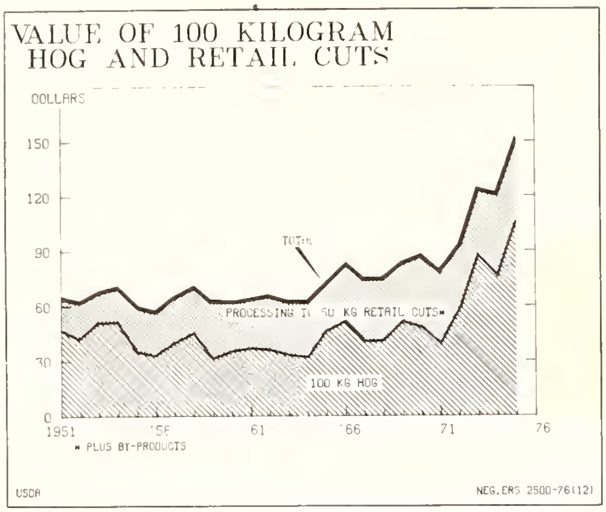

Figure 2

residual share of beef values. They apparently have received some incremental windfall incomes during expansion phases of the cycle (particularly towards the end of the expansion phase as was the case in 1973). But they have also absorbed most of the losses sustained by the industry during the declining phase. They have been able to stay in production primarily because many of the fixed costs are associated with land values held in the family and do not require direct cash outlays. Also, most of our cow-calf operations involve small beef herds which operate as supplemental enterprises.

During the 1950's, nearly all cattle feeding was sustained on Corn Belt farms, but in the 1960's cattle feeding shifted to large commercial feedlots. Corn Belt producers stayed in business because lower labor costs kept them competitive. However, by 1973, large feedlots with over 1,000 head capacity were responsible for 65 percent of fed production. With the exceptions of the rather major price gyrations in the cattle market over the last few years, the feedlot share or margin has remained rather stable.

Feed costs usually have been calculated at 75 to 80 percent of total costs, and the stable feed prices of earlier years held cost per pound gain in the range of 40 to 44 cents per kilogram (18 to 20 cents per pound). But the feed grain and price policies of recent years, which put United States grain into a tight, high priced world grain market, have raised U.S. feedgrain prices substantially so that feed costs have doubled to around 88 cents per kilogram (40 cents per pound).

The slaughter, processing, and distribution phases of marketing, take a gradual increasing share of the consumer dollar spent for meat. This share rose substantially during the last few years, again a basic function of widening costs of labor and intermediate products. Part of this increase is due to changes in technology and services performed, while part is due to consumer demand for more services.

For hogs, the slaughter-processing margin has widened over time more as a function of inflation than from the introduction of new services. Over the past 2 years, packers and processors have had to spread fixed costs over a smaller number of hogs. U.S. pork products have required considerable processing during the entire 25-year period, and requires much more processing than beef.

Only recently have we been able to gather cost component data to divide the price spread, these data are for 1974. Labor costs ran between 36 and 40 percent. Packaging ran 5 to 8 percent and transportation about 6 percent. Energy costs amounted to 2 to 5 percent as did depreciation and repairs. Profits to the marketing component ran 6 to 7 percent. Many other minor costs could be itemized; but, in total, they amounted to just over a third of the price spread.

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